40 of Top Chains Plan 470 '81 Bows

Chain	Total Stores, Dec. '80	Openings Planned in 1981	Projected Total Stores, Dec. '81
K mart	1,885	170	2,055
T.G. & Y.[a]	505	36	541
Woolco[b,1]	337	11	348
Wal-Mart	326	60	386
Zayre	248	5	253
King's[c]	240	—	240
Pamida[1]	197	5	202
Roses[d]	180	8	188
Target[e]	139	13	152
Ames	104	8	112
Murphy's Mart	103	5	108
Howard Bros.	96	5	101
Bradlees	89	7	95
Heck's	86	10	96
Gemco/Memco	83	6	89
Hills	83	10	93
Cook United[f]	75	47	122
ALCO	73	7	80
Fed Mart	67	—	67
Fred Meyer	67	2	66[g]
Caldor	65	7	72
Fishers Big Wheel	65	8	73
Jamesway	63	4	64[k]
Magic Mart	49	—	49
Two Guys	49	—	49
Jefferson/Ward	46	7[h]	53
Venture	45	—	45
S. E. Nichols	43	—	43
Gold Circle	42	—	42
Zodys	41	4	45
Grand Central	33	1	34
Meijer[i]	30	14	44
ShopKo	30	2	32
Danners	29	1	30
Richway	21	2	23
Gee Bee	19	1	20
Prange-Way	17[j]	1	18
Times Square	14	—	14
Clover	13	2	15
J. W. Mays	8	1	9
TOTALS	5,705	470	6,167

[1] *May be partly or completely offset by planned store closings.*
[a] *Includes discount department stores only.*
[b] *Includes U.S. Woolco stores only.*
[c] *Includes the acquisition of 63 Barkers stores.*
[d] *Discount department stores only, does not include 58 P. H. Rose variety stores.*
[e] *Includes the acquisition of 41 Ayr-Way stores.*
[f] *Includes the acquisition of 47 Rink's stores.*
[g] *Openings are offset by three stores closed in 1981.*
[h] *The planned further expansion of the Jefferson Ward chain was on hold at presstime.*
[i] *Includes the acquisition of 14 Twin Fair stores.*
[j] *Includes full-line, freestanding stores only.*
[k] *Reflects closing of three stores.*

In spite of the uncertain economy, these 40 chains are planning to add 470 stores in 1981, a gain of 8.2% over their count on Dec. 31, 1980.
(DSN research; some figures are estimated.)

(Continued from page 1)

openings.

Both chains are benefiting from just-completed fiscal years in which sales and earnings increases outdid the industry's.

Jefferson/Ward, another chain with aggressive growth plans, has already added seven stores to its count this year. But the chain originally had announced more than 100 conversions from Montgomery Ward to Jefferson/Ward over 1981-83, and then backed down to only 16 conversions this year. Now Jefferson/Ward has been put on hold by new Ward president Steve Pistner, who needs time to take a close look at the plans. Most observers feel that his hold on the expansion of Jefferson/Ward is temporary, however, and that an even more aggressive plan may result from Pistner's input.

Store closings are a major factor in the 1981 industry growth forecast, as both Woolco and Pamida indicate that planned openings (11 at Woolco U.S., five at Pamida) are likely to be offset by planned closings. In fact, Woolco closings may well exceed the 11 new stores, and result in a net decline in store count for the nation's second-biggest volume chain. The closings are part of the chain's continuing efforts to increase sales and gross margin dollar productivity in its existing stores.

Those chains which were most successful in 1980, and which are now able to maintain an aggressive expansion program, will be well positioned to increase their market penetration and share of market this year. They may start 1982 with a built-in edge over chains less able to expand their market share in 1981. The impact on earnings at those chains is still to be seen, however, and 1981 could turn out to be the laboratory in which two opposing strategies will be tested.

Housewares

(Continued from page 2)

know/unfamiliar.

This survey showed that among the discounters tracked, K mart, Woolco, Target, Venture and Zayre were individually perceived by some manufacturers as a mass merchandiser and by others as a discounter.

Adding to the confusion was the fact that Sears, Penney and Montgomery Ward were perceived as both a mass merchandiser and department store. Woolworth was clearly identified as a variety store, but was also targeted as a mass merchandiser and a discount store.

Joseph S. Adler, president of Bee Angell & Associates, which conducted the annual survey for the NHMA, told DSN that "you can't apply the manufacturers' perception to the survey's hard percentage figures to get an exact percentage figure for discounters. All we know is that discounters account for more than 12% (of manufacturers' sales to retailers) but we can't get an exact figure of how much more."

He explained that there wasn't any way to weight Sears', Penney's and Ward's shares of the mass merchandiser total and assign that percentage to the department store classification, with the remaining share going to discounters, where it most likely belongs.

The uncertainty over retailer types didn't extend to where manufacturer sales were going: Retailers accounted for 81% of manufacturers' $17,484,000,000 sales in 1980, while wholesalers' share dropped to 19%.

Sales to retailers increased 9.5% from 74% in 1979, while sales to wholesalers dropped 26.9% from a 26% share. Total manufacturer sales in 1979 were $15,579,000,000 and increased 12.2% in 1980.

Rebates

(Continued from page 23)

store location, such as the customer service desk, for shopper convenience. Other retailers are also using the idea.

At K mart, the rebate coupon for the chain's own drip coffeemakers, and for other traffic appliances, are supposed to be obtained at the appliance department service desk. But, employees in a number of K marts have attached the coupons to the rebated item's boxes to reduce their work.

The Zayre executive called the chain's rebate program fairly successful:

"Customers are used to rebates and find them attractive."

Zayre has put up most of the money for its rebates, treating the cost as a promotional expense. It has used manufacturer funds in a limited number of cases, the executive said, when use of the monies "didn't mean the vendor was dictating our ad program, something we never allow."

Different Procedures

He said Zayre had to learn how to run its rebate program, and that the chain's expenses ranged from the cost of printing the coupons to writing up the check with an individual's name and mailing it out.

He added that the merchandising and operational problems included having enough rebate coupons on hand in a store, accurately forecasting sales and handling any customer complaints.

Union Executives Await Results Of Independent FedMart Audit

SAN DIEGO—The independent audit of FedMart's books, requested by unions representing some 11,500 FedMart employees, is expected to be turned over to union officials shortly.

The audit, by the Touche Ross accounting firm's San Diego office, has been completed, according to Retail Clerks Union (RCU) officials, who said the firm is analyzing its findings.

Union officials insisted on the audit after FedMart asked for a wage freeze because of the company's financial troubles. The 68-unit discounter reported losses of almost $15 million over the last five quarters.

The unions were upset with FedMart's wage freeze request because despite the fact that the chain froze management salaries, the unions pointed to raises three corporate executives received Nov. 3.

Three RCU locals in California—1167 (San Bernardino/Riverside), 1428 (Pomona) and 1222 (San Diego)—have received strike authorization votes from 2,000 FedMart employee/members. Union officials are in a "wait and see posture" pending the audit results.

The union reps have said, however, if the audit bears out FedMart's claims, they will go back to their membership and ask for the financial relief the discounter has requested.

Whatever settlements are ultimately agreed upon will set a precedent for other contracts with FedMart, which are due to expire throughout the year with the RCU, the International Brotherhood of Teamsters and the United Food and Commercial Workers locals.

If contracts aren't ironed out by July, it's expected that RCU Locals 324 and 7070, whose contracts expire July 5, will also join the existing negotiations. Eight of the nine southern California RCU locals have

Cook Stock Dividend

CLEVELAND—The board of directors of Cook United has declared a 6% common stock dividend, payable May 15 to shareholders of record May 1, 1981.

The stock dividend was declared instead of the usual annual 15¢ cash dividend in order to conserve cash following the recent acquisition of the 47-store Rink's chain.

Corrections to the Sears preprinted supplement in the April 29, Wichita Eagle-Beacon.

Page 1. The misses' budget shop tank tops for $1.99 are not available due to production problems. The misses' budget shop shorts for $1.99 may not have arrived in some of our stores due to shipping delays. Rainchecks will be issued. The Tirpolene paint remover has the savings incorrectly stated. It should have read 30%. The plastic planters for savings is incomplete . . . it should read 34% to 1/2 off. The full figure size panty hose may not be available in all stores.

Page 2. The travel companion set has the regular price and sale prices reversed. The travel bag should read regular $52.99 for $39.99, the underseater regular $31.99 for $24.99.

Page 3. The men's denim jeans are priced incorrectly. The unwashed should read regular $14.99 for $10.99. The prewashed should read regular $16.99 for $12.99. The savings of $4 is correct.

Page 5. The NBR 91715 stereo has the savings incorrectly stated. It should read save $30. The NBA 60021 side-by-side refrigerator is incorrectly priced. It should read $499.

Page 6. The NBR 1902 broadcast spreader savings is incorrect. It should read save $3.

Page 8. The NBR 84891 chandelier had the regular price left out. It should state sold for $159.99 in Nov. of 1980. The NBR 9744 lawn mower is incorrectly priced. The savings should be $70. Regular $469.95 for $399.99.

The NBR 90783 lawn mower regular price and savings is incorrect. It should read save $40. Regular $219.99. The sale price of $179.99 is correct. Sears apologizes for any inconvenience this may cause Sears customers.

Sears

Oops!

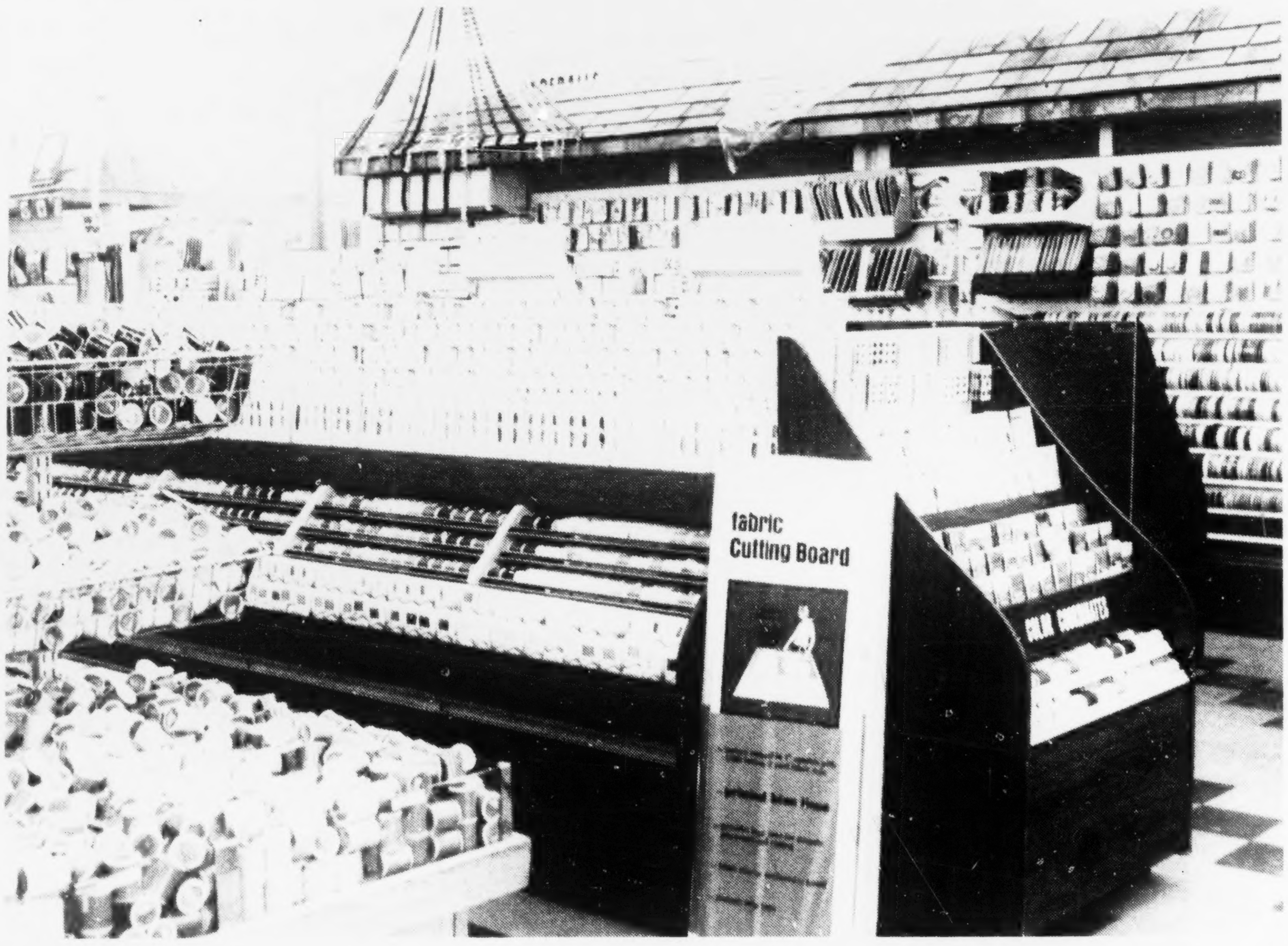
As publishers, we're all-too familiar with the gremlins that creep into the printing presses from time to time, and wreak havoc with the printed word. Sears experienced some of that despair when the numbers went crazy in an ad insert in the Wichita, Kan., *Eagle-Beacon*. The correction was printed in the same-day issue of the paper. (Dick Schott, president of Merchants' Buying Service in New York, spotted the correction and sent it along to DSN.)

T.G. & Y. Increases Centralized Control of Widening Store Base

T.G. & Y.

Year	Net Sales (millions)	% Gain	No. Stores*
1980	$1,683.5	12.5	505
1979	1,497.0	20.6	483
1978	1,241.0	18.9	453
1977	1,043.6	14.2	424
1976	914.1	—	407

*Discount stores only



To maximize store productivity, T.G. & Y. recently trimmed fabric departments 12% in its largest-sized stores. The category contributes 8%-10% of chain volume. *(DSN photo)*

OKLAHOMA CITY—All systems are go at T.G. & Y. The chain's program to convert all stores to a typical layout will be finished this summer—giving headquarters more centralized control of its ever-widening store base.

Experiments with computerized POS replenishment system continue, and work has begun on a new, upscaled and more productive store prototype.

T.G. & Y. failed to meet performance projections set down in its five-year- plan as a result of last year's recessionary business climate, according to chain executives. For the year ended Dec. 31, 1980, sales jumped 12.5% to $1.684 billion, but chain executives had hoped that figure would be closer to $2 billion. Sales per square foot, expected to reach $89.07 by the end of 1980, only rose 0.9% to $81.82 per square foot.

Same-store sales climbed 5.84% from the year before—but T.G. & Y.'s same-store sales have been clocking 10% increases for the last few years.

T.G. & Y.'s store expansion will be channeled into the prosperous South and Southeast, with Louisiana, Georgia and Alabama receiving the largest chunk of new stores. The chain plans to open 36 new stores during 1981. In addition, the chain beefed up its Carolina store cluster with the purchase of 20 Crest stores. There are 16 T.G. & Y. stores in North and South Carolina and four more are planned this year.

T.G. & Y.'s California division will also receive a booster shot in store count with the opening of two new Super Stores there this year. Currently operating 98 stores in that area, T.G. & Y. has not expanded its store foundation in California for the last five years. The two new stores will be located in suburban Los Angeles and San Francisco.

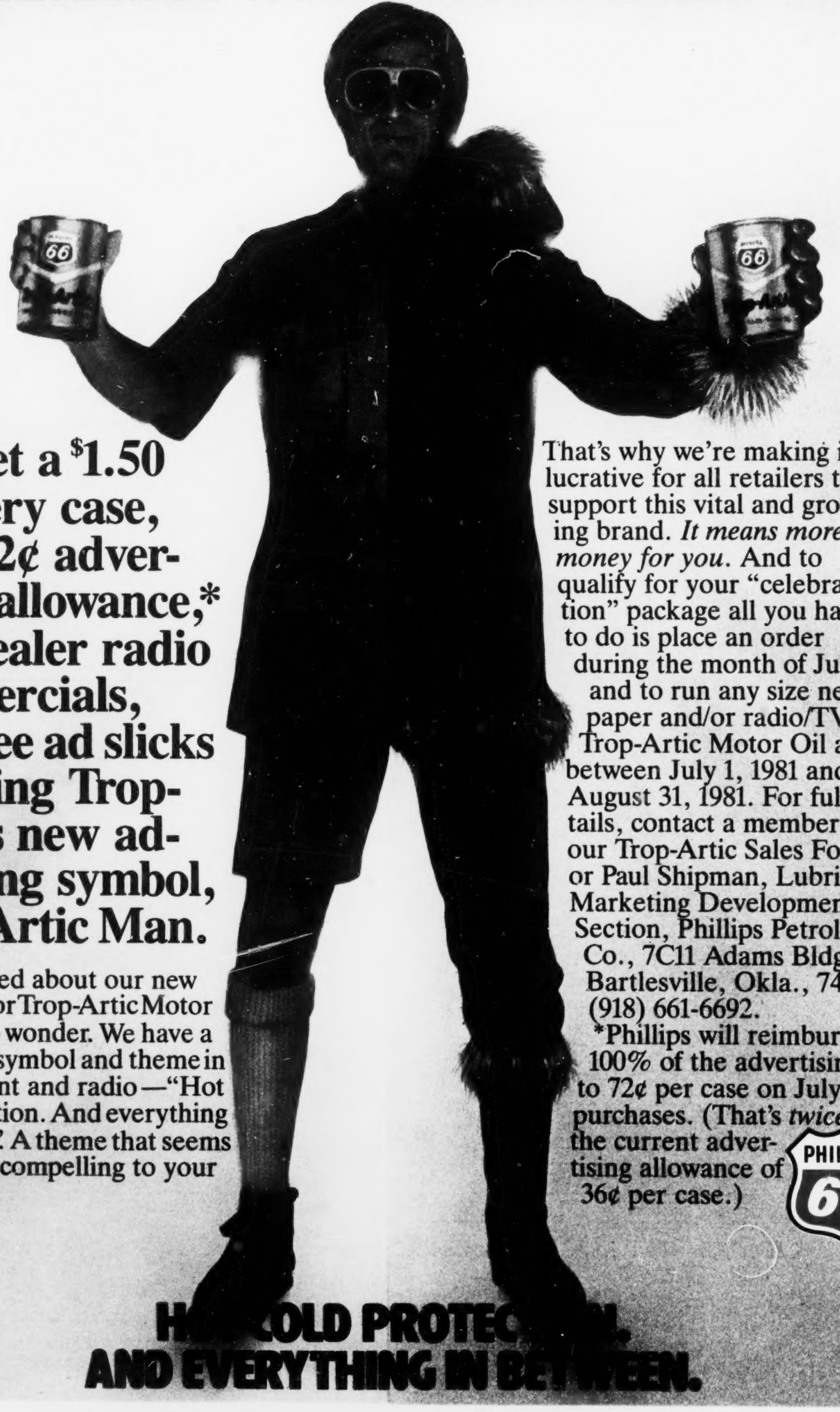
T.G. & Y. has created a new prototype that makes major departures from its familiar layout. Merchandisers and store operations executives are working together now to select three nonmetro markets with strong competition to test the new layout.

The biggest change in the new prototype is the elimination of feature tables, once heavily used in T.G. & Y. stores. The move comes in the wake of the chain's decision to cut feature tables by 25% in its existing stores earlier this year.

Andy Collins, vp of merchandising, feels there are better ways to use that productive space, adding that the sales per square foot no longer justified the heavy use of the tables. "There is too much space in a 15-ft.-wide aisle with a table," he said. "We can squeeze that down to an 8-ft. aisle and get more display space in."

Other measures the chain has taken to improve productivity include the reduction of square footage of the chain's fabric department to accommodate an expansion of upgraded domestics.

THIS JULY CELEBRATE TROP-ARTIC'S NEW AD CAMPAIGN WITH $1.50 OFF EVERY CASE.


66
66
H COLD PROTEC N.
AND EVERYTHING IN BETWEEN.

You get a $1.50 off every case, plus 72¢ advertising allowance,* free dealer radio commercials, and free ad slicks featuring Trop-Artic's new advertising symbol, Trop-Artic Man.

We're excited about our new campaign for Trop-Artic Motor Oil. And no wonder. We have a motivating symbol and theme in our TV, print and radio—"Hot cold protection. And everything in between". A theme that seems to be most compelling to your customers.

That's why we're making it lucrative for all retailers to support this vital and growing brand. *It means more money for you.* And to qualify for your "celebration" package all you have to do is place an order during the month of July and to run any size newspaper and/or radio/TV Trop-Artic Motor Oil ad between July 1, 1981 and August 31, 1981. For full details, contact a member of our Trop-Artic Sales Force or Paul Shipman, Lubricants Marketing Development Section, Phillips Petroleum Co., 7C11 Adams Bldg., Bartlesville, Okla., 74004. (918) 661-6692.

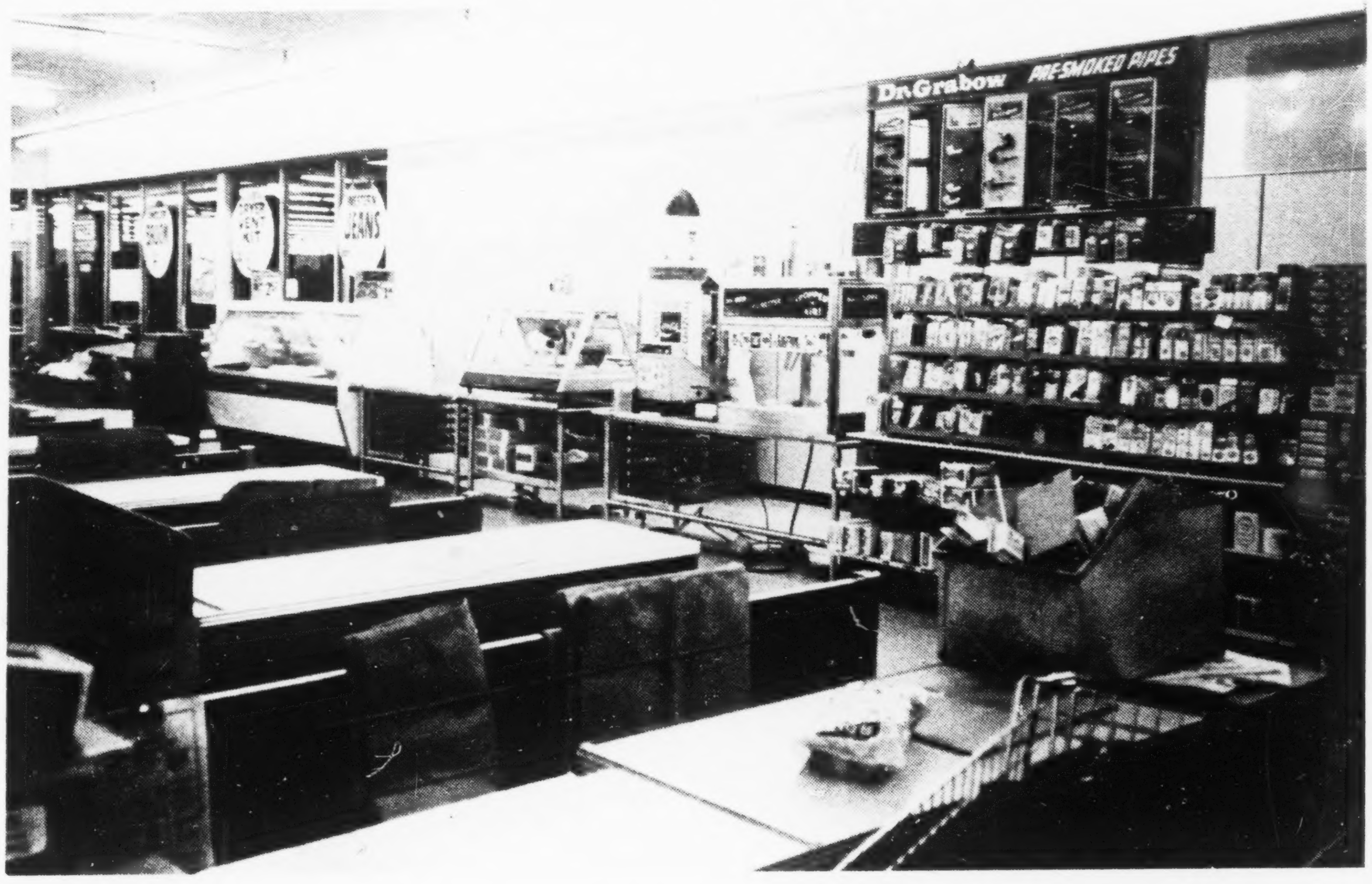
*Phillips will reimburse 100% of the advertising up to 72¢ per case on July purchases. (That's *twice* the current advertising allowance of 36¢ per case.)

PHILLIPS 66

New Merchandising Format Gains Ground at K mart

K MART

Year	Net Sales (millions)	% Gain	No. Stores
1980	$14,200	11.5	1,785
1979	12,731	8.8	1,688
1978	11,696	17.7	1,496
1977	9,941	18.6	1,367
1976	8,382	30.0	1,206



A key element in the upscale remake of K mart's Indianapolis stores was bumping of the deli counter from its traditional spot just inside the front door—replacing it with photo and jewelry—and relocating it against the back wall, behind the checkouts. *(DSN photo)*

TROY, Mich.—K mart's new merchandising format will be in place in almost 15% of its stores by the end of the year, but current merchandising and operations changes will probably not contribute significantly to the bottom line before 1982-83.

In addition to LIFO accounting, cited by K mart chairman Bernard Fauber as a chief contributing factor to 1980's 27.2% drop in earnings from the year before, steadily rising costs of selling and erosion of apparel sales in recent years were contributors to declining profitability at the chain.

The higher-margin apparel slipped below 12% of sales, while the cost of selling and general and administrative overhead climbed from less than 21% of sales in 1977 to more than 23% last year.

As a result, last year's earnings drop to $260.5 million from $358 million in 1979 was the first decline in annual net income at K mart since 1974. The decline in income came on a sales increase of 11.5% for the year, to a volume of $14.2 billion from 1979's $12.7 billion.

The sales gain came on a store base 10% larger than the year before, however, leaving same-store sales (adjusted for inflation) almost flat. In addition, it was the smallest sales gain reported in a decade, under 1979's 12.8% sales increase which was the lowest until 1980. Though both of those years were a far cry from the 20% annual growth rate of the 1970's, K mart officials anticipate only a 12% annual growth rate in the next couple of years.

Store base will grow by approximately 175 units this year, pushing K mart over the 2,000-store mark. All new stores will have K mart's new merchandise presentation, tested last fall in nine Indianapolis stores. Management at the chain looks to remerchandise at least 100 stores as well, meaning close to 300 K marts will have the new presentation by year's end.

Productivity is the key to the remerchandising, as K mart execs look to increase the chain's $130 per square foot in sales to $150 or $160 by the end of 1982.

The chain has geared advertising to the remodels, calling them stores for the 80's. Basically, they feature 15% more merchandise in the selling space through use of more cube space. Both 72-in. and 66-in. gondolas are used, deviating from the chain's 54-in. norm. While this is not unusual in the industry, it is for K mart.

More emphasis has also been placed on fashionable fixtures in soft goods, including use of smoked plexiglass, and price points have been traded up in many cases. K mart hopes to increase gross dollars without broadening its customer base in this fashion, by inducing its current base to spend more.

In hard goods, jewelry—now including 14-karat gold—has

(Continued on page 142)

Charge
Cash

JCPenney expects to save $19,000 in one store with new Multi-Vapor II lamps from GE.

The new Multi-Vapor® II lamp is an electronic breakthrough that combines the high-efficiency energy savings of discharge lamps with the warm color quality of incandescents, and a rated life of 15,000 hours—double that of standard 175-watt metal halide lamps.

If you'd like to save as much in store or commercial lighting energy costs as JCPenney, call your General Electric lamp distributor or sales representative for details: 800-321-7170. (In Ohio: 800-362-2750.)

GENERAL ELECTRIC
MULTI-VAPOR II

This lamp saves 225 watts and $151.87.

JCPenney is replacing 400-watt mercury lamps with GE Multi-Vapor II lamps and expects this energy savings.* You may save even more by replacing whatever lighting system you have with this high efficiency lamp that delivers more warm, appealing light at lower energy costs.

We bring good things to life.

GENERAL ELECTRIC

C-115

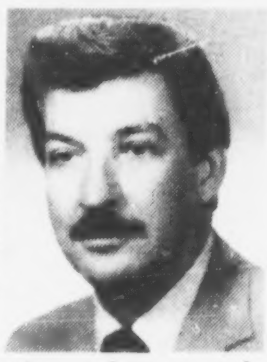
*Savings at 4½¢ per KWH over the life of the lamp.

Executive Changes

Big K Ups 10 to VP; Ames Names 3

Kuhn's Big K has promoted 10 officers to vice presidential positions: **JAMES A. WALKER,** treasurer/controller; **CARL MACKE,** human resources; **JAMES TALLEY,** distribution; **RONALD STOVER,** division merchandise manager, hard goods; **WILLIAM I. KUHN,** division merchandise manager, home furnishings; **STEVEN COCHRAN,** loss prevention; **DON HOWELL,** regional manager, central division; **JAMES R. POTTER,** regional manager, western division; **HAROLD GARLAND,** regional manager, eastern division, and **RONALD F. NIESEN,** management information systems.

Ames Department Stores appointed **GARY W. FRIES** buyer for curtains, drapes, rugs, floor coverings, yarn and craft items. **KATHLEEN M. KESTER** has been promoted from assistant buyer to buyer. She will be responsible for buying all preschool toys, girls' toys, dolls and plush toys. **NEAL F. CROSKY** has been promoted to buyer of giftware, home decor, household chemicals and paper goods.



T.G. & Y. promoted **GARY BROADHEAD** from buyer of housewares and tinware to group buyer. He will oversee candy, automotives, lawn and garden, stationery, housewares, glassware, tinware and sporting goods.

Gold Circle has promoted four executives to vice president. **DAVID COVITZ,** divisional merchandising manager—smallwares, has been elevated to vp-merchandise manager. **ALLAN SHERMAN,** divisional merchandise manager—home furnishings, was raised to vp-merchandise manager. **FRANK ODDI,** assistant controller—finance, was upped to vp/assistant controller—finance. **GORDON "MURPH" BRYAN,** regional manager for the Columbus, Ohio, stores, was promoted to vp/regional manager—Columbus.

The May Company, operator of Venture Stores, has promoted **PATRICK DEL ROSSO** to the position of managing director for May Department Stores International's newly established liaison office in Manila. Del Rosso, who has been with May since 1975, was most recently account executive for import development at Venture Stores corporate headquarters.

K mart

(Continued from page 74)

been moved to the store front along with cameras. Home improvement merchandise has been drawn together in a more complete department, and H&BA features a broader cosmetics mix with more upscale vendor displays.

Store layout as a whole is in a race-track design while simplified signing and earth tones are used to improve general store appearance.

While K mart hopes to improve volume with this increased emphasis on existing units, and places less emphasis on new stores, the bottom line depends on better operating procedures.

Given K mart's rising administrative costs as a percentage of sales, management has undertaken steps to reduce personnel, increase its own distribution capacity and increase POS equipment. The need for these changes—K mart has lagged behind the industry in installing POS equipment, and distribution facilities have not kept pace with store expansion—could force the chain to seek outside financing. In addition, new facilities coming on line could cause startup problems this year.

K mart hopes to lick nagging out-of-stock problems through building its private carrier fleet; plans call for 85% of the stores to be serviced in this fashion by the end of the year. In addition, the number of distribution centers will almost double this year and in the first half of 1982, as five new ones are built at 1 million sq. ft. each.

In K mart's information-processing program, called KIN, almost a third of the chain's stores are expected to be hooked up by the end of the year.

Another cost-curbing move for the future involves a recent move to cross-train district managers in apparel categories and automotive and sporting goods. With managers responsible for more than one merchandise category (but fewer stores), field personnel can eventually be reduced. With payroll costs pinching the bottom line, there may be more changes of this sort in the works

FedMart

(Continued from page 134)

inventory investment.

Sources also said FedMart may experiment with an approximately 150-sq.-ft. nutrition department in several units this year. These test sections are expected to include natural foods and vitamins and some natural health and beauty aids.

The distribution system streamlining is still only a small part of the chain troubles: FedMart is also still involved in negotiations with several Retail Clerks Union locals. The firm has requested wage freezes for store employees with other RCL locals and Teamsters, whose contracts will expire throughout the year.

Amid these negotiations, FedMart has continued to deny rumors of store closings, but industry observers and security analysts agree the outcome of these talks will undoubtedly have a heavy bearing on FedMart's next move. Some sources speculate that FedMart might be better off disposing of those stores in areas where the real estate value has substantially appreciated.

While the chain has no plans to expand this year, it expects to complete its remodeling program.

Key management resignations and firings this year included the replacement of Bernard Litwak, president for only five months, with Jan Heydorn, and the departures of both Robert Quayle, a top merchandising executive and vice president, and William Sliney, executive vice president-finance. Heinz Gundlach, who remains as vice chairman, has been removed from FedMart's day to day operations, while Mann takes over the reins of the executive committee, which Gundlach had chaired.

Toys 'R' Us Sets Another Near Chi

BLOOMINGDALE, Ill.—Toys "R" Us has purchased a 5.2-acre site in Stratford, a planned community in west Bloomingdale, near Chicago, for a 43,000-sq.-ft. store.

Construction is scheduled for completion by September 1981. By year's end there will be approximately 20 of the chain's stores serving the Greater Chicago area.

DYNAMIC DUO

TR3
TR3
CONCENTRATED
FORMULA
CAR WASH
TR3
RESIN GLAZE
AUTOMOBILE
CLEANER & POLISH
The ultimate
Skin Care for your ca
DEGRADABLE

For Back to Back Sales
INTRODUCING TR-3 PROFESSIONAL FORMULA CAR WASH™
The ideal easy-to-use product for a super clean car. TR-3 chemists created this unique professional formula to be the finest car wash available. Double up on sales with this DYNAMIC DUO from the makers of TR-3 RESIN GLAZE™, TRUCK AND VAN GLAZE™, AND IMPORT RESIN GLAZE™
TR3®
TR-3 CHEMICAL CORPORATION
330 W. TAFT/ORANGE, CA 92667 (714) 632-5000
TWX 910 593 2887

Dramatic Changes Are in Store For Woolco

WOOLCO

Year	Net Sales (millions)	% Gain	No. Stores
1980	$2,005	8.4	337
1979	1,895	10.8	416
1978	1,710	11.0	394
1977	1,540	11.9	367
1976	1,376	11.6	345

Woolco is maximizing use of cube space in upscaling its presentation, as seen in this triple-tiered display with waterfall top. The Woolco is in Clinton, Md. *(DSN photo)*

NEW YORK—Woolco will spend this fiscal year undergoing one of the most dramatic changes in the industry.

The chain management has planned a new store decor package to go along with the new advertising and merchandising programs, all to take place in a store base that is shifting dramatically through closings and leaseouts of excess space.

Already this year, parent F. W. Woolworth reorganized the top management of its discount and variety stores, naming John Parker, formerly a regional vp in Atlanta, to the newly created post of general manager, U.S. Woolco stores. He will report to the president of the company's U.S. Woolworth/Woolco division, George Nelson.

While F. W. Woolworth has not returned to an early organizational chart—separate divisions for Woolworth and Woolco—staffs in key operating areas such as advertising will be tapped to develop individual strategies for either one or the other group of stores.

One of Parker's prime objectives at the chain will be centralization of merchandising efforts, with the store manager's freedom sharply curtailed. Parker headed up a first-time-ever meeting of all Woolco store managers late last month to make certain the chain's programs were understood and followed through in the field.

Woolco management hopes to boost sales per square foot from $80 to $100 immediately, and the effectiveness of new merchandising changes will be measured largely at two test stores—an existing unit in East Brunswick, N.J., and another slated for fall opening in Ocean Springs, Miss. The test stores will be among the first Woolcos to have the new decor and signing package.

Among the tests slated are: moving H&BAs to the back of the store; two apparel approaches, one with men's wear adjacent to sporting goods and across the store from ladies' apparel, another which puts men's and ladies' wear side by side; trying feature tables in departments only, and in another approach trying them down the center aisle and in hard goods only; trying a 60,000-sq.-ft. store with soft goods occupying 45% of sales space instead of the 36% allotted in existing stores.

Woolco has already decided to give domestics 20% to 25% more floor space and to cut back in home improvement departments, as well as institute a chainwide planogram for its register tips in the new program.

Woolco will also continue its reduction in total square footage with an eye to increasing the profitability of remaining space, with more store closings, fewer store openings and a continued drive to lease out space at some stores.

Woolco closed one store in

(Continued on page 82)

A STAR IS BORN.

To the universe of batteries, Motorcraft adds a powerful new force. Introducing the 48-month maintenance-free "Red." It gives you all the sales advantages of other maintenance-free batteries. And direct accounts can earn bonus pacemaker points with qualifying orders thr[illegible]h July 31.

Customers never have to check the water level in up to 50,000 miles of normal use. Gassing is reduced. There is increased resistance to overcharging. Lots of cranking power. And a 48-month warranty.

The maintenance-free "Red" is the ideal battery for customers who want the convenience of a premium line maintenance-free battery.

See your Motorcraft supplier. And discover a new star for yourself.

Motorcraft Ford

...FOR SURE

Hot Wal-Mart Projects 60 Openings This Year

BENTONVILLE, Ark.—Wal-Mart continues its two-pronged marketing effort, forging ahead with (a) the penetration of its small-town South Central states trading area, and (b) a prototype store program designed for midsized markets.

The chain's efforts produced operating results that outpaced those of most discounters.

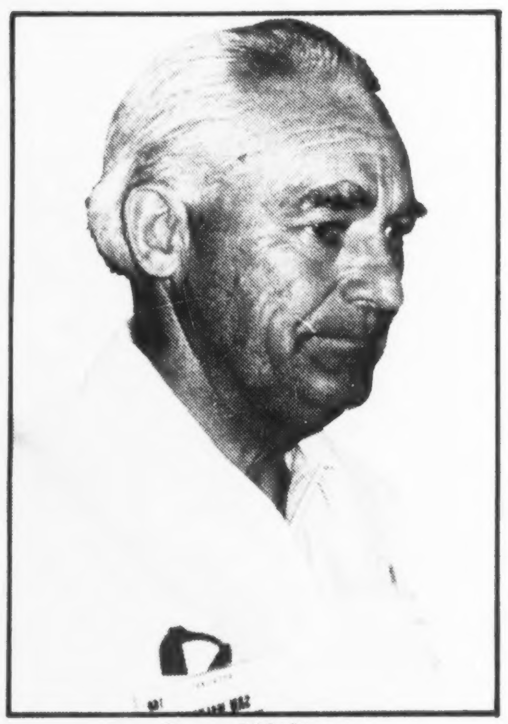
Wal-Mart's sales soared 31.7% to $1.643 billion in the latest fiscal year compared to the previous one, and clocked a 12% rise in same-store sales during the same period. Sales per square foot—figured on company-owned sales and total store square footage—averaged $120 in 1980.

Earnings for the same period, ended Jan. 31, 1981, grew to $55.7 million, a 35% increase from the previous year's earnings.

Sixty new stores are planned for 1981, with 75% of that growth to be channeled into the southern half of Wal-Mart's territory. The new units will boost store space by approximately 4 million sq. ft., for a total of 19.5 million sq. ft. by the end of 1981. Two-thirds of these new stores will be developed by the chain's in-house division.

Earlier this year, Wal-Mart was on the verge of rapidly expanding its store count when it announced its plan to take over 107 Kuhn's Big K stores (at $6.40 per Big K share or 0.256 Wal-Mart $25 preferred). The deal was later scuttled when Wal-Mart reportedly contested some of the contingencies of the letter of intent between the two firms. The problem centered on a clause requiring continuous store operation at some sites, and the unwillingness of some landlords to comply with Wal-Mart's specifications.

A new 510,000-sq.-ft. distribution center will be erected during the year in Palestine, Tex., to fuel the chain's further expansion into Texas and Louisiana.


Sam Walton
Chairman, Wal-Mart

Wal-Mart's systematic store prototype program took another evolutionary turn in late 1980 as the chain churned out store designs for both midsized and rural markets. The latter remains the dominant part of the chain's store expansion program.

One of the latest store designs for the midsized markets showed a shift from some earlier experimental layouts by reinstating promotional tables. Key hard line departments are positioned off major traffic aisles for more visual play. High-margin candy, cards, books, toys and electronics and music lie across a midstore aisle from ladies' apparel, while promotional tables run through the middle stacked with tie-in items, both clearance and high-margin impulse goods.

WAL-MART

Year	Net Sales (millions)	% Gain	No. Stores
1980	$1,641.0	31.5	326
1979	1,248.0	29.7	276
1978	962.0	41.8	229
1977	678.5	41.7	195
1976	478.8	—	153

Other Wal-Mart strategies center on improving productivity at store and headquarter levels. The chain opened its first overseas office in Hong Kong last December, which will serve as a central headquarters for all overseas buying.

In a move to further centralize its operations, Wal-Mart took over 162 leased jewelry sections from Hatfield Jewelry Co., and will also be developing its own film processing plant to reap its own share of photo business profitability. The chain is also experimenting with in-store pharmacies.

Woolco

(Continued from page 79)

1979, shuttered a half-dozen last year and is "currently looking at many others for similar action" said F. W. Woolworth's president and coo Richard Anderson. Between 15 and 30 Woolcos could be closed by the end of the year, with the Chicago market's seven stores among the prime candidates.

Last year, 25 Woolcos were reduced in size by leasing out excess space, primarily to the J. Brannam division of F. W. Woolworth, which sells national-brand clothing at less than traditional markups. Some 43 stores have been reduced in size over the last three years, totaling 1.1 million sq. ft. of selling area. Anderson said at least 10 more Woolcos will be pared down this year.

Management at the chain expects to open 11 Woolcos this year, less than half the 25 new stores added last year.

Woolco sales for fiscal 1980 were $2.05 billion, an 8.4% increase from the year before. Anderson said "there is no satisfaction" in the last year's results for F. W. Woolworth as a whole, where sales of $7.2 billion were a soft 6.4% more than 1979's $6.8 billion. Net income declined 10.6%, to $161 million, last year, from 1979's $180 million. Operating income dropped 13%, although F. W. Woolworth and ceo Edward Gibbons cited LIFO charges as a large factor in the U.S. Woolworth/Woolco decline.

In the effort to improve upon fiscal 1980's performance, work on formerly leased departments will be another major area of work at Woolco this year. Woolco will complete takeovers in shoe and automotive departments, and try to rebuild lost business in men's wear.

Last year, Woolco took over 147 men's wear departments in its stores; 111 automotive departments and 53 shoe departments were also taken over. It will add 200 more automotive departments and 72 shoe departments this year, giving the chain complete control over the merchandise categories for the first time.

The effort required in takeovers of the leased departments—which accounted for 20% of the business in some stores—was a large factor in the disappointing year experienced by Woolco in 1980.

Graig Nettles
Louisville Slugger

You're watching a glove catch a customer.

All by itself, a Louisville Slugger® glove can catch a customer. First it catches his attention with rugged good looks. And then once he's tried it on, he's caught up in a new found feeling of fielding confidence.

In fact, whether it's the big "Big Daddy" and "Big Louie" or the Steve Garvey and Graig Nettles autograph models, you can literally see—and more importantly—feel the quality of these gloves.

Each glove in the Louisville Slugger lineup is made of top-grain cowhide. And each glove is made with the kind of craftsmanship that produces a firm yet flexible feeling of total control.

Quality is why Louisville Slugger gloves perform so well in the field. And it's why they sell through so well in your store—at solid margins.

So this season, don't order gloves catch as catch can. Order the complete Louisville Slugger line. They're the ones that sell through.

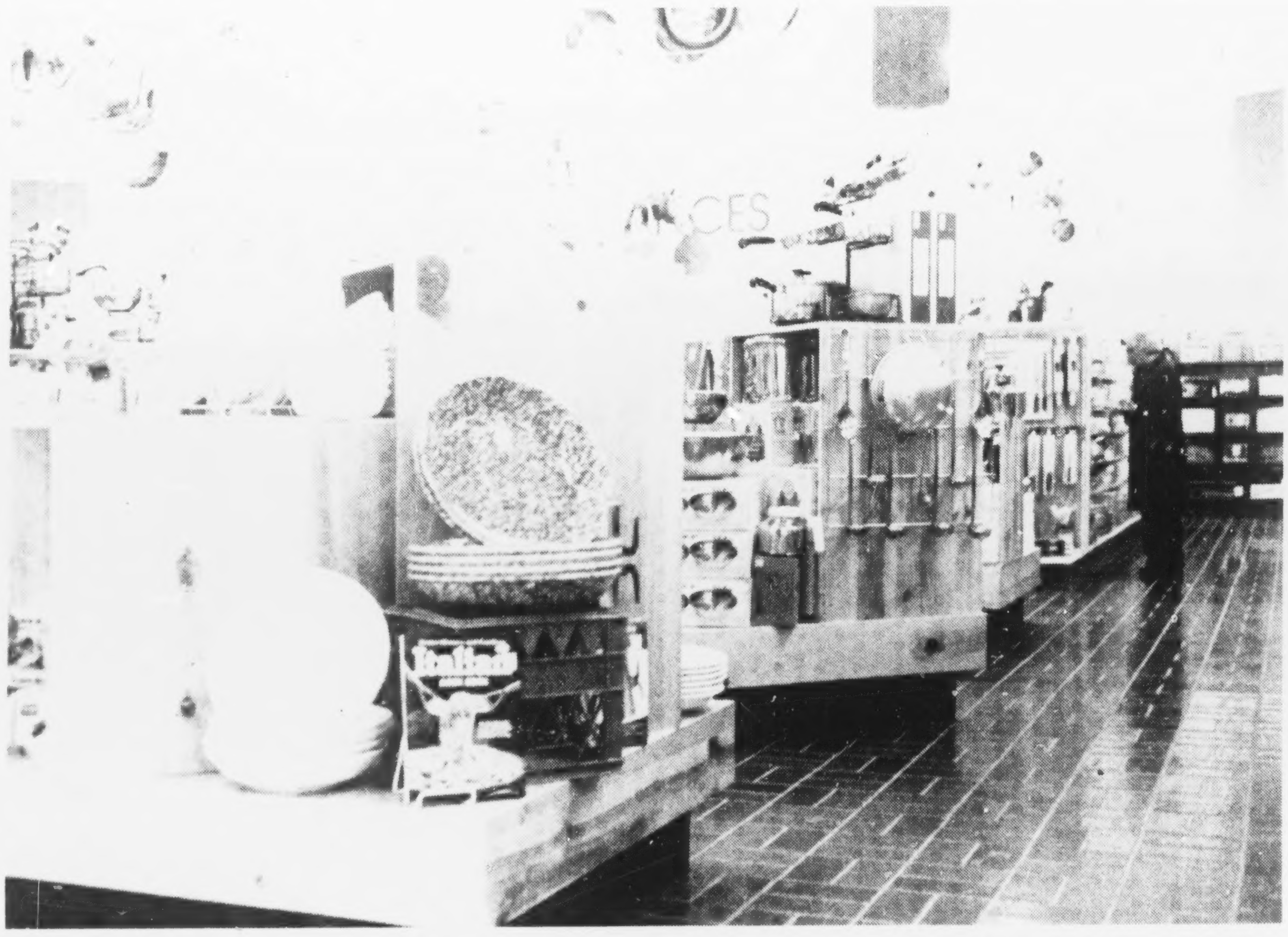
Louisville Slugger®

H&B Hillerich & Bradsby Co., Louisville, Kentucky

Caldor, Merging With ADG, Invades More States

CALDOR

Year	Net Sales (millions)	% Gain	No. Stores
1980	$666.5	18.4	65
1979	562.8	18.3	62
1978	475.7	20.6	50
1977	394.4	29.3	48
1976	305.0	—	43



Caldor's newest stores give a department store presentation to housewares, now adjacent to gifts. The move accommodates an expanded and upscaled housewares mix to include items that can be sold as gifts. *(DSN photo)*

NORWALK, Conn.—In a move to secure Caldor's financial future, Carl Bennett, chain founder and chairman, agreed to merge the chain with Associated Dry Goods (ADG) earlier this year for nearly $37 in cash and securities for each Caldor share.

The chain has forged ahead with its store-expansion program which last year pushed it into two new states—Rhode Island and Vermont. Caldor will add another state to its operating base with a new store in New Jersey, where it will open four former Korvettes stores. Caldor also purchased two other former Korvettes in Pelham and Port Chester, in Westchester County, New York.

Caldor opened seven stores last year and is opening three units this spring.

This year's merchandising changes were bent toward sharpening the chain's competitive stance in its branded apparel business with an expanded "raccoon" line (the chain's answer to the Lacoste alligator), a new activewear line carrying tennis star Rod Laver's name, an NFL line, and a Lee and Wrangler jeans program designed to give an upgraded identity to men's apparel. It has also introduced a program featuring its rainbow logo on unisex short-and-shirt sets in terrycloth.

One of the first effects of the ADG merger was the resignation of Len Willner, Caldor's general merchandise manager, credited with being the architect of the chain's upscaled apparel movement. Willner, who said he had not been consulted on the ADG deal, said he was leaving to seek opportunities in wholesaling.

Cash in the amount of $135 million, and 2.8 million shares of ADG convertible preferred (worth approximately $140 million with a likely coupon added) made up the ADG offer, which included an option of taking five-year nontransferrable notes from ADG, to a maximum of $38.5 million.

The five-year notes will be issued only to shareholders electing to receive them, and will not be issued in denominations under $25,000—making them unattractive to most shareholders.

Looking at the deal, Wall Street analysts commented that ADG offered too much for the discounter. ADG's definitive agreement, signed on Feb. 20, calls for ADG to pay 15 times Caldor's earnings per share over the last 12 months—$2.50—which could be peak earnings, according to a former ADG shareholder. The price is three times Caldor's book value, analysts noted.

Caldor posted a 7.2% increase to $21.2 million in net earnings for the fiscal year ended Jan. 31, 1981, after giving effect to a LIFO charge of $2.5 million, as compared with a LIFO charge of $1.2 million for the prior year. Sales were $666.5 million, for a gain of 18.4%.

Net income for the fourth quarter was up 5.5% to $11.7 million on sales of $19.3 million.

One of the oldest names in watchbands will make you more money than Speidel.

Used to be, selling a big name like Speidel meant big profits. Lately, this just isn't so! Big profits are the last thing you'll see. And frankly, it's just not worth the hassle anymore.

Kreisler has a very simple alternative. Kreisler is one of the most respected names in the business. Kreisler's lower retail price points appeal to a larger market. And Kreisler's higher mark-ups guarantee *more* profit. Isn't that what business is all about?

CALL US TODAY.
KREISLER WATCHBANDS...
QUALITY, PROFIT AND NO HASSLES.

KREISLER

Marketed exclusively by:
Rega Industries Inc. 606-622 Spring Garden Street Philadelphia, PA 19123 (215) 923-6835
Diplomat Industries 408 St. James Street West Montreal, Canada, (514) 845-9916

Zayre's Streamlining Is Rewarded With Handsome Earnings Gain

ZAYRE*

Year	Net Sales (millions)	% Gain	No. Stores
1980	$1,348.0	0.3	248
1979	1,344.0	9.9	254
1978	1,223.0	7.2	251
1977	1,141.0	8.7	252
1976	1,049.0[a]	—	255

*Discount department stores only. [a]Includes leased departments.

Under its Market Development Program, which includes a new housewares department, Zayre will upgrade 29 stores in Cleveland, Indianapolis, Chattanooga, Tenn., and Maine this year. Inset: Maurice Segall, president and ceo. *(DSN photo)*

FRAMINGHAM, Mass.—Zayre's continued efforts to streamline its store operations—which included disposing of nine Shoppers' City stores early last year and management restructuring—have brought a phenomenal profit gain on a fair sales boost.

Stores remodeled under the chain's "Market Development Program" remain Zayre's primary source of financial growth. The program has resulted in the refurbishing of 130 of Zayre's 250 stores, including updating all units in five key markets: Boston, Chicago, Miami, Washington and Tampa-Orlando, Fla. During 1981, Zayre plans to renovate 29 stores in Cleveland, Indianapolis, Chattanooga, Tenn., and Maine.

Ten or 12 new Zayre stores will be added in 1981, according to chain executives, up from four in 1980. In February of this year, Zayre acquired four closed Community Family Centers in Chicago, boosting its store count in that metro market to 26.

Zayre created a new division, entitled Merchandise Presentation and Stores Development, and promoted vice president Stephen Wener to director of the new division. The division coordinates all aspects of merchandise presentation and store planning, and acts as a liaison with Zayre's real estate, marketing, merchandising and sales/operations divisions.

After dismal 1980 half-year results—when losses totaled $469,000 after the previous year's first-half earnings of $1.805 million—Zayre implemented a contingency plan which turned its financial course around. The chain's third-quarter net income soared 73% to $6.1 million from $3.5 million in 1979.

Sales for the fiscal year rose 9.2% to $1.568 billion, and 7.7% to $527 million in the fourth quarter. Zayre, which adopted the LIFO method for valuing all its hard goods inventories, reported net income of $18 million after a post-tax LIFO charge of $2.8 million. On a comparable FIFO basis in both years, net income would have been $20 million, an increase of 21.6% over $17 million in the prior year.

In response to strong sales growth in the T. J. Maxx division, Zayre's off-price brand-name family apparel stores, Zayre plans to open 18 to 20 such units in 1981, up from 13 new stores in 1980, according to Maurice Segall, president and chief executive officer. There are currently 43 T. J. Maxx stores in operation.

On the other hand, the company's Hit or Miss division experienced a poor sales year, sparking an "extensive restructuring" in its management. "Comparable-store sales results turned positive during the fall and in recent months have been forging ahead ever more strongly," said Segall.

PRODUCTIVITY, QUALITY, AND RELIABILITY . . .

Part Of The "Game Plan" In Well-Planned Retail Control Systems!

Building a cost-efficient retail control system is no game — it's a serious business. To implement profitably, it involves a serious investment of time and money. And because it is serious business it pays to make Monarch part of your plan — to ensure marking systems that measure up to your move ahead.

The high quality and reliability of Monarch's equipment and supplies ensure you of productivity. Monarch makes your retail control system work through the knowledge gained from years of "hands-on" experience in both conventional and OCR marking. Monarch's awareness of down to earth needs **assures** dependable performance — accuracy . . . precise printing . . . operating ease . . . quality supplies and inks — the highest productivity possible to assure return on investment!

Further, Monarch's comprehensive Preventive Maintenance Inspection Agreement and the biggest, best service network in the industry keep your system moving ahead in productivity, quality, and reliability.

For further information, a free consultation or a demonstration of Monarch's "move ahead" marking capabilities . . . write Monarch Marking Systems, Inc., Dept. 801, P.O. Box 608, Dayton, Ohio 45401.

CALL TOLL FREE: 800-543-6650
(In Ohio, call 800-762-6600)
Phone lines open 7 a.m. 'til Midnight, Eastern Time, Monday thru Friday.

Monarch Marking
A Pitney Bowes Company

SEE HOW MONARCH HELPS YOU TO MOVE AHEAD AT THE NMRI CONVENTION, BOOTH NO. 27, MAY 9-13!

OCR
"PEOPLE ENGINEERED" OPERATING EASE
QUALITY TAG & LABEL SUPPLIES
STORE NAME
C1250 3786
P10402563
M253963695
>$40.00
ACCURATE DATA INPUT
TOLL-F
CUSTO
ASSIS
SIVE
STORE NAME
D5438 310
M67933
>$10.00
LOW-COST, HIGH PRODUCTIVITY
STORE NAME
D 1324 978
98642
>$29.95
>$18.90
SALE PRICE

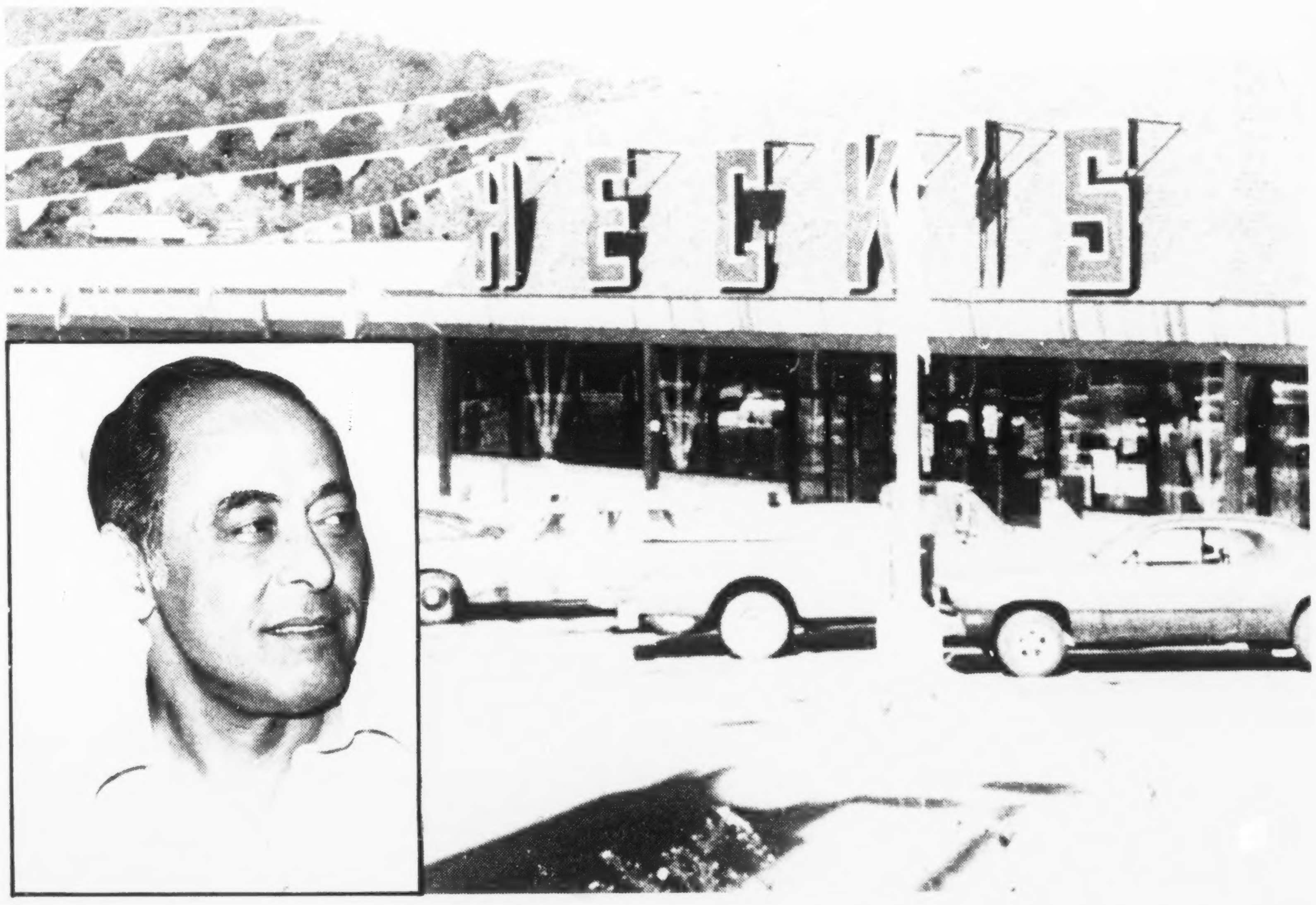
arch Marking Systems, Inc. All rights reserved.

Heck's Is on Biggest Store Opening Kick: 10-12 by December

HECK'S

Year	Sales (millions)*	% Gain	No. Stores
1980	$332.5	13.6	86
1979	292.7	45.4	75
1978	201.3	36.2	69
1977	147.8	19.3	60
1976	123.8	26.1	54

**Sales for Heck's discount retailing group include Felsway Corporation, its wholly owned subsidiary (acquired in October 1978) and operator of 176 Shoe-Town stores. About two-thirds of the 1980 figure reflects sales at Heck's Stores only.*



Heck's will build 10 to 12 new stores in existing markets this year, bringing the chain total to almost 100 stores. Inset: Fred Haddad, chairman of the board. *(DSN photos)*

CHARLESTON, W. Va.— Heck's has embarked on its most ambitious store opening campaign, to include construction of 10 to 12 new stores by December.

Eleven stores were opened in 1980 (including five remodeled Mr. Wiggs), as the chain entered two new markets, Indiana and Pennsylvania, in its most aggressive series of openings to date.

Sales for the fiscal year ended Dec. 31, 1980, for Heck's Inc. (which includes Heck's discount retailing group, consisting of 87 Heck's stores and 176 Shoe-Town stores and the wholesale distributor group) were $432,341,800, a 9.8% jump from the previous year's $393,857,000.

Net income, affected by a sharp increase in the LIFO reserve, totaled $15,468,900, up 4% from 1979's $14,861,400. (The LIFO reserve increased to $10,394,000 from $6,337,000 in 1979.)

Sales at the discount retail group for the same year were $332,478,000, a 13.6% increase over the previous year's $292,678,000. James B. Lawrence, treasurer, said about two-thirds of that revenue ($222 million) was contributed by Heck's stores.

Heck's chairman Fred Haddad added that the retailing group led the company's sales gains.

The discount chain operates 87 stores, including the only one completed so far this year, in Gassaway, W. Va. Four others slated for fall completions are under construction in Salem, Ohio, and Winchester, Bluewell and Christiansburg, Va.

Proposed sites for at least five more stores are in nine states where the chain already has a base: Indiana, Kentucky, Maryland, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia and West Virginia.

While some Shoe-Town units may expand beyond their 12-state base to move into new territory this year, Lawrence said the discount chain will develop both its existing base and continue expansion at the present rate of about 10 stores a year between now and 1985.

The growth pattern takes advantage of a 150,000-sq.-ft. warehouse built last year to house toys and seasonal goods in Nitro, W. Va.

One reason Heck's Inc. has not been sold, although Haddad has had it on the block for more than one year, is that the cash price of $150 million is too high, according to industry observers.

The cash requirement may discourage potential buyers who would rather finance the acquisition with stock plans or other means, not all cash.

A better way to direct store traffic.

All retail store traffic is not on foot. Much of it is by telephone. Between customers and stores. Between vendors and stores. Between stores and stores.

Congestion anywhere along the line can lead to problems in customer service, employee productivity and all the other areas of information management.

The Bell System has a solution conceived to meet the needs of retailers. It's our electronic Dimension® PBX Retail System, a complete inter/intra-store voice communications system. Its more than 100 specific capabilities can help you increase sales, lower operating expenses, improve customer service and maximize profits.

It saves you costly duplication by letting you handle all incoming calls at one location for all stores. And it saves sales lost because of busy signals by uniformly distributing calls throughout your order department on a next-available basis.

Mervyn's is now using the Retail System throughout five western states, and JC Penney has installed it in Chicago, Atlanta and many other cities.

Applying knowledge of retailing and advanced communications to information management systems for retailers, that's our business.

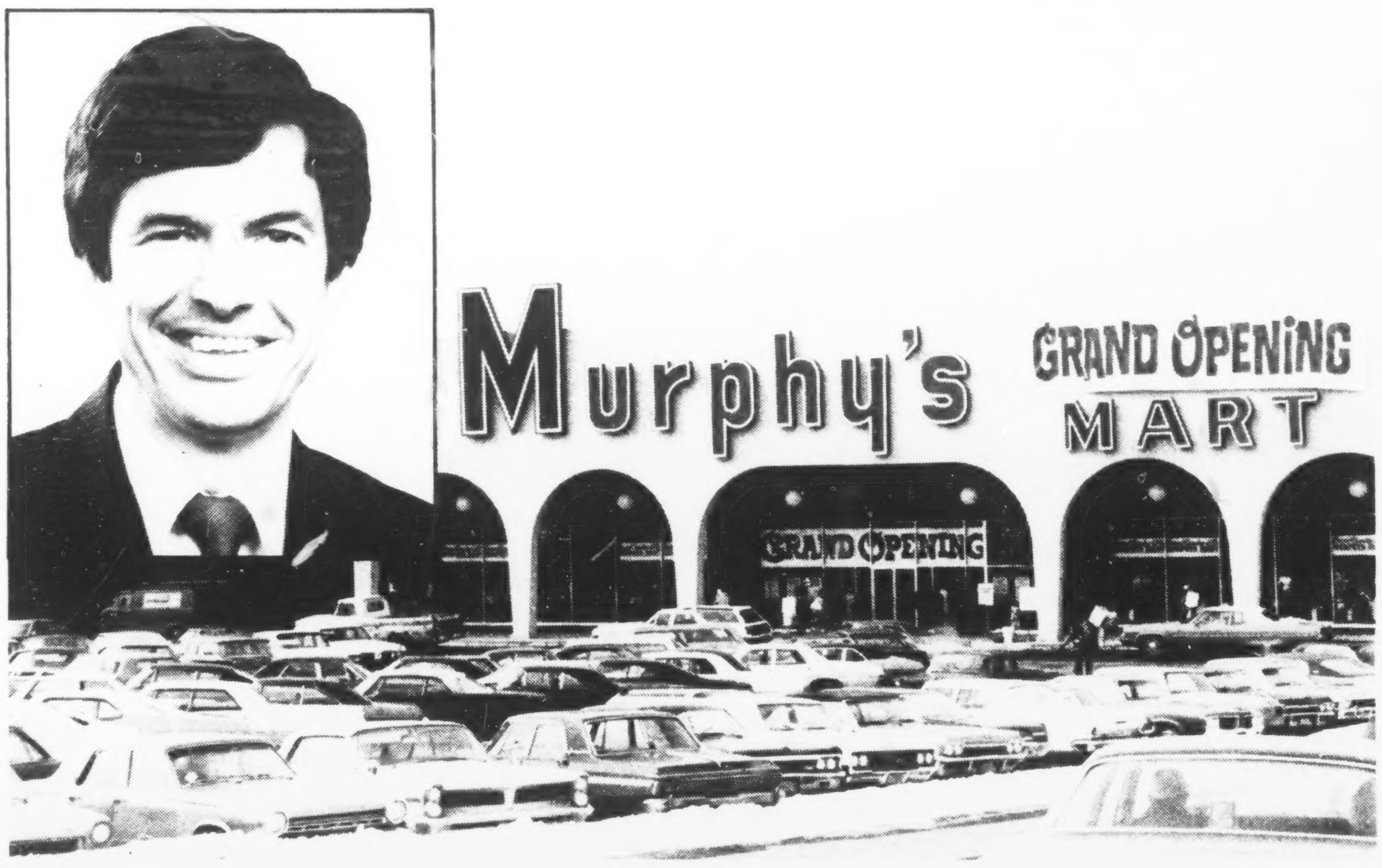
A call to your Bell Account Executive can put our knowledge to work for you.

The knowledge business

Hudak Succeeds Retired Robinson as G. C. Murphy's Chairman

MURPHY'S MART

Year	Net Sales (millions)	% Gain	No. Stores
1980	$463.1	17.9	103
1979	392.8	13.6	99
1978	345.6	18.7	90
1977	291.0	30.5	96
1976	223.0	129.9	76



Murphy's Mart recorded a strong 17.9% increase in sales last year on a store base only four units larger. This store is in Boardman, Ohio. Inset: Thomas Hudak, chairman. *(DSN photo)*

McKEESPORT, Pa.—G. C. Murphy has named senior vp of finance and vice chairman Thomas Hudak as the company's new chairman, replacing the recently retired S. Warne Robinson.

The election of Hudak, a 12-year veteran at Murphy whose background is financial and not in merchandising, was characterized by a company spokesman as a natural extension of Hudak's elevation to vice chairman at last May's annual meeting.

In contrast with the situation at many companies, the chairman is not chief executive officer at Murphy. Top authority in the company remains with president Charles Lytle, who is also ceo. Hudak will serve as the company's chief financial officer as well as chairman. He assumed the title of chairman when Robinson retired at the end of April.

In business plans for the year, Murphy hopes to capitalize on trends which brought a 17.9% increase in sales to its Murphy's Marts last year, on a store base only four units larger.

Lytle said that oversupply in the market in seasonal merchandise such as winter apparel and electronic games caused early price reductions during the holiday selling season.

After clearance sales, Murphy's Marts began the year in a heavier than normal inventory position. This is part of a company plan to broaden merchandise assortments in a grab for market share. Lytle said that this year management will focus on refining its merchandise mix for more balanced margins.

Promotional efforts over the last year have clearly paid off in sales volume—despite thinner gross margins. Last year was the first fiscal year in which G. C. Murphy used separate merchandising committees for its discount stores and variety stores, and only the second year in which advertising programs for the two store types have been split. This has been done to counter what company executives saw as a distinct weakness: lack of distinction between the variety stores and Murphy's Mart discount stores.

Though still below the industry average, sales per square foot jumped $10 last year, from $85.86 to $95.96. (The company's variety stores do $76.32.)

Due to money and occupancy costs, management will continue last year's trend of adding modestly to store numbers while building volume primarily from existing units. From a 10% expansion rate in 1979, when 10 Murphy's Marts were added, only four units were added last year. This year, three to five new stores are planned.

Virtually all stores opened after 1978 have been Murphy's Marts, as G. C. Murphy continues a shift to more discount stores and fewer variety stores. This includes steady closings of unprofitable variety stores, 23 of which were shut in 1980.

The all purpose caulk sells itself.

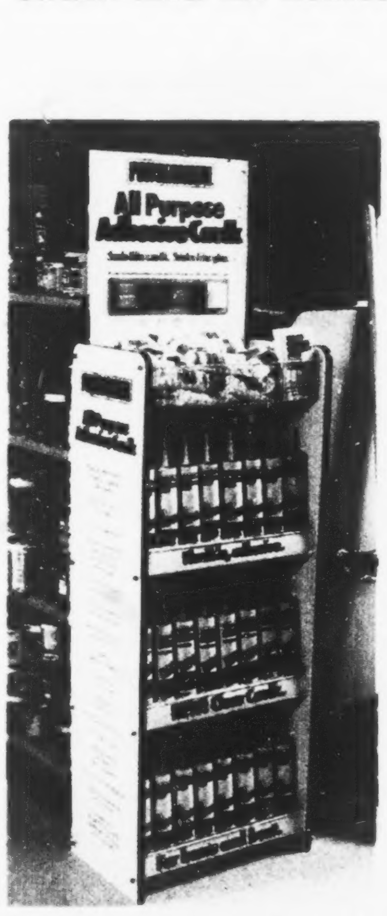
Hard-hitting header shouts all purpose. Convinces customers Polyseamseal is the right caulk for almost any job.

Bold, graphic package sells Polyseamseal as a caulk and an adhesive.

POLYSEAMSEAL
All Purpose Adhesive/Caulk
Seals like caulk. Sticks like glue.
Materials are bonded to wood and to each other with Polyseamseal All Purpose Adhesive Caulk
HOW TO FIX THINGS THEY DON'T WRITE
ALL PURPOSE
CLEAR CAULK
Saves energy, money.
NEW! Clear Caulk.

Actual applications on real materials make the all purpose caulk easy to understand, easy to buy.

FREE! "How To" booklet shows dozens of uses for Polyseamseal. Builds repeat sales.



More profit per square foot with the fastest moving caulk on the floor. Tough, compact merchandiser is just 18 inches wide x 61 inches high x 12 inches deep. Displays clear, white and 4 popular colors.

National Advertising, Total Merchandising & Co-op Programs, Seasonal Promos. Call your Polyseamseal distributor or Darworth (203) 677-7721 today.

Polyseamseal® All Purpose Adhesive Caulk

Darworth company
AVON, CONNECTICUT 06001

© 1980 Ensign-Bickford Industries, Inc

Jamesway Strengthens Tristate Home Market Base

JAMESWAY

Year	Net Sales (millions)	% Gain	No. Stores
1980	$273.3	13.0	62
1979	242.4	19.8	59
1978	202.3	20.9	49
1977	167.3	18.9	46
1976	135.6	25.5	41

Jamesway is testing an expanded wicker department—boosted 50% in shelf space—because of its high-margin potential. This store is in Hamilton, N.J. *(DSN photo)*

SECAUCUS, N.J.—Jamesway is strengthening its tristate home market store base after pulling up stakes in Ohio at the end of the last fiscal year.

Earlier this year, two New Jersey stores were opened, helping to offset the three units lost in Ohio. Both are takeover units: a former Barkers in Flemington and a former United Discount Store in Pompton Plains. Two more openings are also planned for this year: one in suburban Philadelphia and another in Carmel, N.Y.

More Jamesways may also be added through acquisition, as the chain is reportedly shopping for takeover sites. Most growth at the 62-unit chain since 1979 has been in the form of acquisition, with seven Westons, two Masons and one Britt store taken over and converted to Jamesways.

Sales gains for the last completed fiscal year were 13% ahead of fiscal 1979, with volume $273.3 million (exclusive of leased departments). Sales in fiscal 1979 were $242.4 million.

Leased department volume increases did not match chainwide volume growth, with leased department sales of $11.8 million in the year ended Jan. 31, 1981 representing an 8.7% increase over the year-before's $10.8 million.

Net earnings last year were down 39% from the year before, or $3.9 million for 1980 compared to $6.4 million for 1979. Jamesway switched to LIFO accounting last year; 40% of the drop in net income reflected an aftertax LIFO charge of $975,000.

Pullback From Ohio

Return on investment per store should be aided by the pullback from Ohio. Jamesway sold its three Ohio stores to Hart Stores near the end of the fiscal year. These stores represented a 600-mile trip from Jamesway's New Jersey warehouses, and the chain needed different distributors to service those stores. The three units were among the lowest 20% of Jamesway stores in profit production.

New stores replacing the Ohio units have the added advantage of existing advertising umbrellas in Jamesway's traditional market base, so per-store advertising costs have also been somewhat reduced by the paring off of Ohio units. New York, New Jersey and Pennsylvania hold 61 of the chain's 62 stores.

The remaining Jamesway is in Virginia, and an executive at the chain noted that any expansion out of the tristate area will likely be south into Delaware and Virginia.

Jamesway has also budgeted for refurbishments at 11 stores this year—half in the first six months and half in the last two quarters. Included will be the enlargement of Jamesway's Sussex, N.J., store to conform to the chain's 55,000-sq.-ft. prototype. The store is currently 40,000 sq. ft.

In operations, the chain added a 210,000-sq.-ft. warehouse in Totowa, N.J., last year to bolster its Secaucus warehouse.

BOSTITCH. A STAPLER FOR EVERY CUSTOMER.

Take advantage! The complete Bostitch home/office and school line lets you put together a fast selling product mix – lets you do it for every store type, size, location, and time of year.

Bostitch packaging. It's organized to get more turns...out of less space. And how it sells!

Bostitch P.O.P. displays will grab extra sales for you. So will the generous Bostitch co-op advertising program.

Take advantage! Your Bostitch rep has all the details.

stapling plier
desk stapler
desk stapler
desk stapler
personal stapler
desk stapler
desk stapler
stapling plier
desk stapler
stapling plier
pocket stapler
crown staples
staples
standard staples
staple remover

BOSTITCH TEXTRON
Bostitch Division of Textron Inc.

Consumer Products Division
East Greenwich, R.I. 02818
(401) 884-2500

Texas to Get Most New ALCOs This Year

	ALCO		
Year	Net Sales (millions)	% Gain	No. Stores
1980	$174.6	1.0	73
1979	172.8	19.8	65
1978	144.2	10.9	53
1977	130.0	6.5	46
1976	122.2	13.6	38

ALCO has trimmed its expansion rate for 1981; with seven new stores planned, total units will be boosted by 10%. This ALCO is in Abilene, Kan. *(DSN photo)*

Robert Soelter
President,
Duckwall/ALCO

ABILENE, Kan.—ALCO will still be working the north country of Wyoming, but most expansion at the chain this year will be in Texas, where the chain will place five of the seven new stores planned.

The seven new stores, representing a 10% expansion in the number of ALCOs, continues the shift of parent Duckwall-ALCO away from its variety-store roots. At the end of fiscal 1980, 73 of the company's 109 stores were ALCO discount stores (the remainder were Duckwall variety units). All new stores will be discount stores.

Planned expansion of store numbers has slowed somewhat since the company's boom in 1979, as ALCO adjusts to particularly tough economic conditions for farmers. A large majority of ALCOs are located in farm markets rather than industrial centers.

Last year, sales were up only 1% from the year before. Volume for fiscal 1980 was $174.6 million, vs. $172.8 million the year before. Net income fell 23% to $3.35 million from $4.38 million in 1979. Almost half of the net income drop was due to a shift to LIFO accounting at the chain.

Management at ALCO is looking for a 9% increase in sales this year.

Though ALCO paid attention to its southern flank last year with openings in New Mexico and Texas, and will concentrate this year's openings in Texas, the company's move into Wyoming is not dead. It will relocate its store in Gillette this year and put a new store in Rawlins.

The distance from ALCO's Kansas base makes the Wyoming stores expensive to service. ALCO is interested in the state and parts of Colorado because of boom times created by energy development. However, the boom that creates a retail market also creates other problems.

"You have typical boom-town economies," said ALCO president Robert Soelter of the Wyoming locations, "and since the land prices are very high now it takes longer to get a return on investment there."

In addition to new stores, ALCO will remodel 20 of its existing ones this year. The remodels are not extensive remerchandising efforts, but will focus on interior decor. "It's part of an annual allocation for renovations," said Soelter. "We are only bringing the stores up to date. It does not involve a new prototype, though we may come out with one next year."

One of the more notable aspects of store operations last year was a program to reduce shrink. The program was largely administrative, focusing on audits of store procedure by district managers. Shrink was reduced almost an entire percentage point, from 2.48% of sales to 1.54%.

The major business question for this year at ALCO is the farm economy; a continuation of dry, hot weather could spell a tough year.

"The problem is more serious than you read in the New York or Washington papers," Soelter said. "The farmer is backed up against the wall and weather conditions have been horrible. It's one thing to say that wheat will be $7 a bushel, but you have to have the wheat to sell."

Papers' Ad $$ Up 5% In Gen. Mdse., Apparel

NEW YORK—General merchandise and apparel advertising increased by 5% to $3.395 billion in 1980, according to the Newspaper Advertising Bureau.

Department store advertising for the period was $1.909 billion, 6% higher than in the previous year.

Food and drug store advertising increased 8% to $958.5 million with drug stores accounting for $196.5 million.

ICICLES
ICICLES
ICICLES
Christmas Drape
SPARKL-TEX
Holly-Tex
mas Tree Skir
ANGEL HAIR
TINSEL GARLAND

CHRISTMAS, WITH ALL THE TRIMMINGS.

Bright, new holiday packaging. Unique new products like the Critter Sitters. There's one complete source for all your Christmas decorations – Union Wadding. Tree skirts, icicles, tinsel garlands and ornaments. Completeness that's been a tradition almost as old as Christmas. A tradition you can count on. Send for a free catalog and price list: Union Wadding, Consumer Products Division, Pawtucket, Rhode Island 02862.

UNION WADDING

© Morgan Inc

Announcing . . .

The 30th Transworld Housewares And Variety Exhibit

July 10-15, 1981
O'Hare Exposition Center
(near Chicago O'Hare Airport)

The Biggest Order Writing Shows In America

Because . . .
Buyers know they can find the new, hot, promotional profit makers at the Transworld Shows. They have been finding the profit-makers and traffic builders at the Transworld Shows for several decades. July is the time to plan for Christmas sales.

For space information and advance registration—contact:
Transworld Exhibits Inc.
1850 Oak Street
Northfield, IL 60093
Phone: 312/446-8434

Selling the number one can opener is as easy as using it.

A success from the start.

In 1955, we introduced the Swing-A-Way #407 Portable Can Opener to America because we realized it was not always convenient or practical to attach one of our popular wall openers.

There were other hand-held can openers on the market, of course, but we envisioned one that was not flimsy and hard to use. What we wanted was a can opener that was as substantial, durable, and efficient as our wall models.

It is no coincidence that the result was the heavy-duty, easy-to-use, gear-driven Swing-A-Way Portable. And it stored in a drawer, out of the way.

In the process we created a classic—a truly sensible can opener.

Today, the Swing-A-Way #407 has become the largest selling can opener of its kind in the world.

SWING-A-WAY

People everywhere tell us its the best.

SWING-A-WAY ST. LOUIS 63116

NMRI Convention Perspective

Nichols Maps Wider Aisles, More Promotional Tables

HOW TO PAINT WITH LUCITE
LUCITE... BETTER BECAUSE IT'S DU PONT
SHOP WITHOUT CASH
NICHOLS
Christmas

S. E. NICHOLS

Year	Net Sales (millions)	% Gain	No. Stores
1980	$224.6	3.5	43
1979	217.1	1.3	42
1978	214.4	4.9	41
1977	204.2	3.6	41
1976	197.1	4.0	40

Mass display of paint from this S. E. Nichols in Salisbury, Md., shows depth in home improvement. The chain will add home improvement centers to the rest of its 43 stores this year, *(DSN photo)*

NEW YORK—S. E. Nichols will make some merchandising changes this year, going to wider aisles with more feature tables, in an attempt to achieve higher volume increases after a very soft 1980.

Volume at Nichols was up 3.5% for the fiscal year ended Jan. 31, 1981, to $224.6 million compared to $217.1 million the year before.

Net income suffered significantly for the year, with the fiscal 1980 earnings of $242,709 representing a 93% drop from the year-before's $3.5 million.

Management at Nichols cited higher selling, general and administrative expenses as one factor in the earnings decline; an increase in minimum wages was part of this greater operating expense.

An increase in interest expenses from short-term borrowing, and higher energy costs were also named as contributors to the drop in profits, as well as a boost in markdowns on merchandise.

Markdowns taken to generate sales were increased due to the lackluster year Nichols—and many others in the industry—was experiencing, but they contributed to a particularly harsh fourth quarter.

Nichols earned almost 50% of its net income for fiscal 1979 during its fourth quarter that year, with earnings of $1.7 million for the quarter. In the fourth quarter of this past fiscal year, Nichols recorded a net loss of $90,067. This loss occurred on a drop in sales of 3.2% for the quarter.

This year, Nichols has decided to realign and/or shrink some departments in order to create more aisle space.

"We are moving to more use of feature tables," said Nichols' vp of merchandising Erich Metzger, "as soon as we can create the space. This is a chainwide move. The sales per square foot justify our having more tables in our stores; our results show that this is the direction we should take."

Nichols currently uses an average of 12-18 tables per store, in front of the registers and in the main aisle. Feature tables are also used across the back of stores in which there is enough floor space. Nichols will be going with as many as 36 feature tables per store, according to current plans.

In other merchandising changes, Nichols will continue to add home improvement centers to its stores with the eventual goal of having them chainwide. Currently, 75% of the chain's stores have improvement centers installed. The 20,000-sq.-ft. centers are in 31 of the chain's 43 stores.

Two stores are scheduled to add home improvement centers this year, with additions of the centers generally coming through takeovers of adjacent store space or the building of additions to the store, rather than a reallocation of floor space from other departments.

Nichols depends heavily on the home improvement center concept; in some stores, the department contributes 25% of total store sales.

"NO NEED TO TIE-UP HIGH-PRICED PERSONNEL ALL DAY."

Our new CPC-175 studio tape player/recorder ends the problem of having to have key personnel tied up delivering selling messages throughout the day.

With this one unit, your messages can be recorded and automatically programmed throughout the day. Without annoying customers by breaking into the middle of a music selection as some competitive systems do. Best of all, this one unit costs less than competitive two-unit systems.

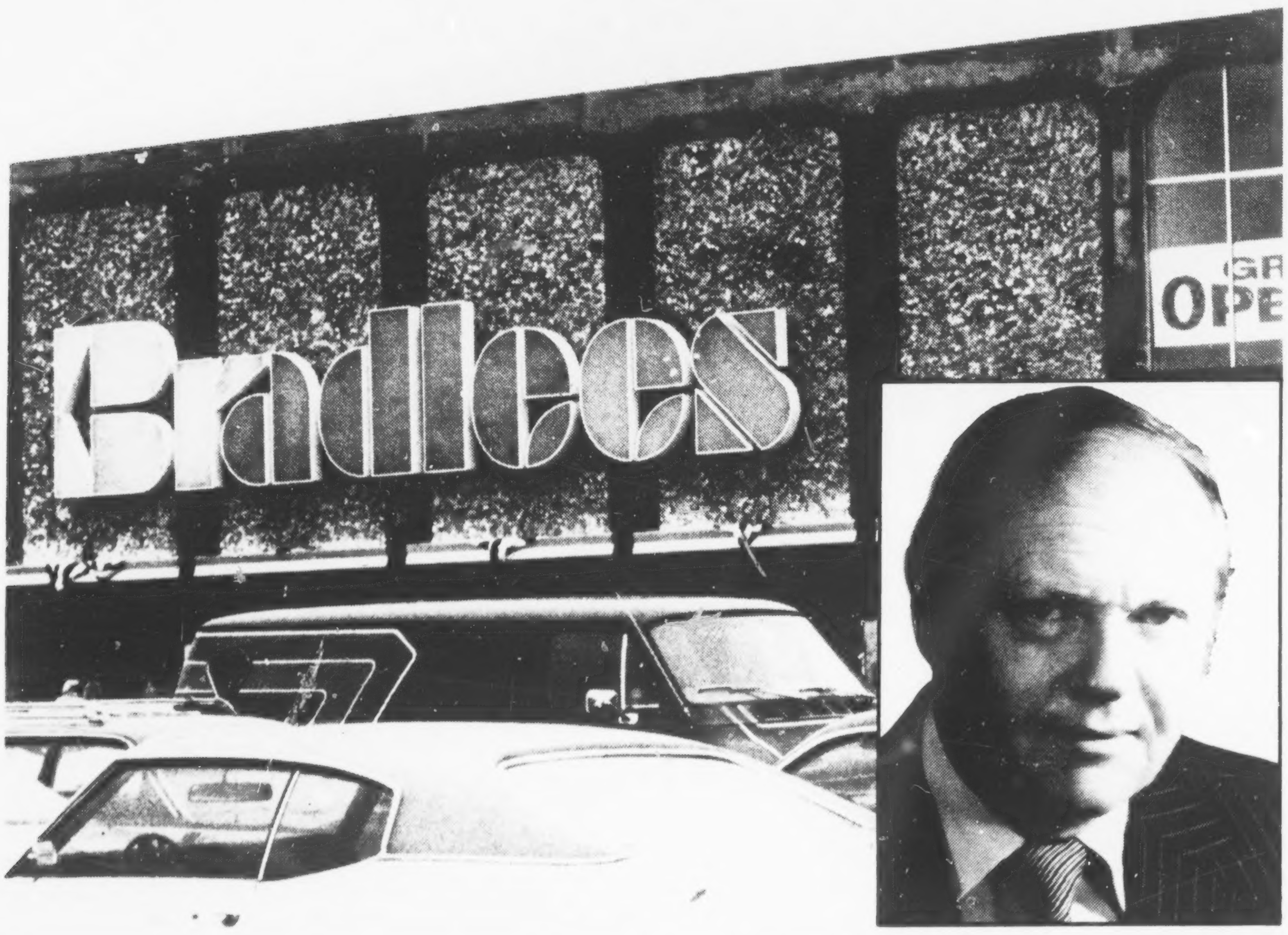
The CPC-175 provides great high fidelity sound. Permits manual interruption for special or urgent messages. Allows review of taped messages without interfering with normal operation. And carries the exclusve Customusic 2-year warranty on solid state components.

If you're looking for a medium that delivers both the music and the message, get the new all-in-one from Customusic. The CPC-175 Studio. It's like having a deejay in the house.

Customusic, Rowe International, Inc., 888 Rear Providence Highway, Dedham, MA 02026. (617) 326-4446

CUSTOMUSIC®

Bradlees to Complete Conversion to Electronic POS Registers



BRADLEES

Year	Net Sales (millions)	% Gain	No. Stores
1980	$634.3	17.4	89
1979	540.1	9.5	83
1978	493.0	10.8	76
1977	445.0	8.5	74
1976	410.0	20.2	75

Bradlees took a wait-and-see attitude toward its Virginia invasion after opening this and three other stores in that state in 1979. Last year's seven new units were all in the Northeast. Inset: Harold Frank, pres. *(DSN photo)*

BRAINTREE, Mass.—Bradlees will complete its chainwide conversion to electronic POS registers this year, with all 89 stores scheduled to be hooked up year's end.

A spokesman at Bradlees' parent Stop & Shop said expansion plans for 1981 have not been finalized. Bradlees' growth rate has been seven new stores a year for each of the last two years, however, and this pace seems likely to continue.

Bradlees managed to outpace both inflation and the parent corporation in sales growth for the year ended Jan. 31, 1981. Bradlees' sales for the year were $634.3 million, exclusive of leased departments. This is a 17.4% increase from the year before, when volume was $540.1 million.

Total corporate sales at The Stop & Shop Companies, which operates Medi-Mart drug stores and Stop & Shop supermarkets, were $2.059 billion, up 9.6% from the previous fiscal year's $1.879 billion.

In earnings, the corporation suffered a decline of 18.6% with $12.2 million in earnings for the last fiscal year, down from $14.9 million.

The corporation's general merchandise companies, of which Bradlees represents roughly 80% by volume, experienced a 34.9% drop in operating earnings. For the last fiscal year, operating income was $19.7 million for the general merchandise companies, vs. $30.3 million the year before.

Bradlees continued to lay out money despite a year in which consumer spending had to be prodded with increased promotions: Seven new stores were added and four were extensively remodeled, while another dozen Bradlees were converted to electronic POS terminals.

Bradlees' remodeling program, which involves extensive refixturing, slowed down last year from the pace of a dozen remodels the year before. Over the last four fiscal years, 30 stores have been remodeled. Coupled with new-store openings, this means that 50% of the 89-store chain has a relatively new look.

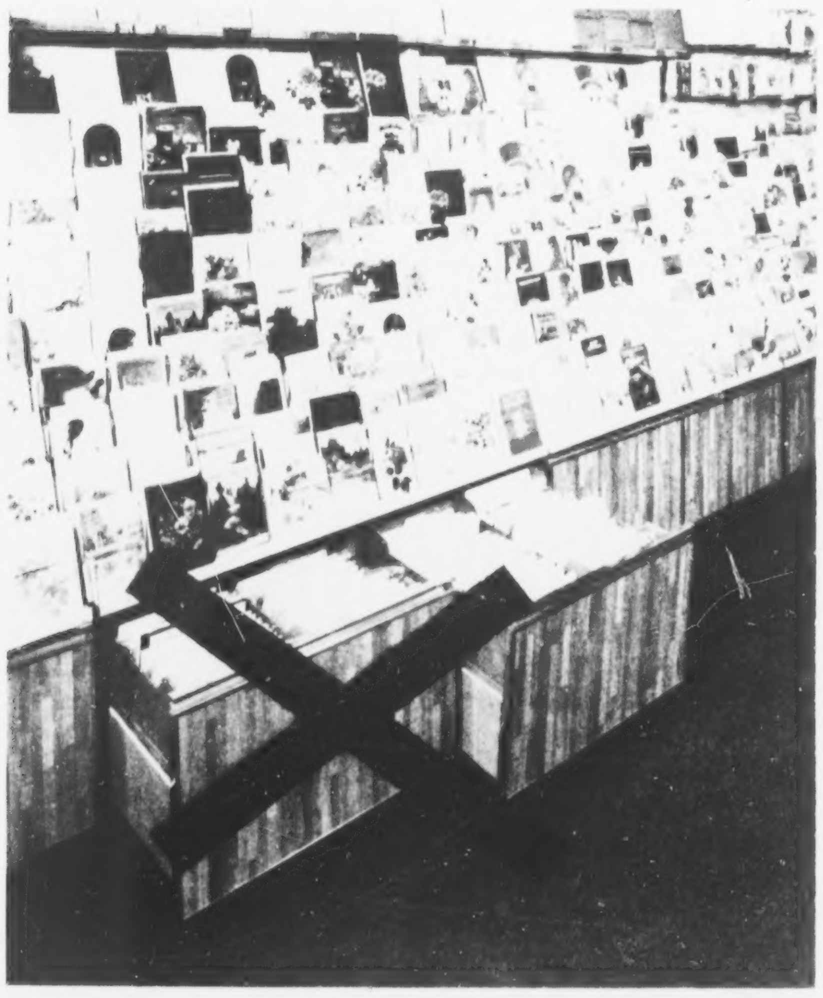
Operating and merchandising efficiency should be increased by completion of the move to POS equipment this year. Bradlees now has 78 of its stores hooked up after installing a dozen units last year.

After moving into Virginia with four stores in 1979, Bradlees took a wait-and-see attitude, and new-store construction was limited to its home base in the Northeast. The Bradlees added last year—all new markets for the chain except for Manchester, N.H., which was a relocation—were in Concord, Newington and Manchester, N.H.; Utica and Elmira, N.Y.; North Windham, Me., and Ventnor, N.J.

Bradlees operated under a different managerial setup during the middle of 1980, as president Harold Frank resigned to return to Abraham & Straus (a division of Federated Department Stores). Frank had worked at Abraham & Straus for 25 years prior to joining Bradlees.

"...at a time when chains are struggling to control inventories, Everything-Up appears to be the right program at the right time." Major trade publication, March 24, 1980

REDUCE INVENTORY 40%
DOUBLE STOCK TURNS


CONVENTIONAL STOCK CONTROL SYSTEM

OUR UNIQUE EVERYTHING-UP SYSTEM

GIBSON/BUZZA'S EVERYTHING-UP SYSTEM™—
THE MOST INNOVATIVE STOCK CONTROL CONCEPT IN DECADES
With the Prime rate at or near record high's – inventory levels must be your number one consideration

- Industry's highest possible R.O.I.
- Industry's lowest packing
- Comprehensive merchandising and service support programs

☎ Call our Vice President of National Accounts, collect:
H.W. (Pinky) Halvorson, (513) 841-6895.

Gibson Buzza
THE LOW INVENTORY PEOPLE
© GIBSON GREETING CARDS, INC. 1980

Venture Bets 'Save With Style' Promotion Will Aid Turnaround

VENTURE

Year	Net Sales (millions)	% Gain	No. Stores
1980	$561	4.6	45
1979	536	18.3	45
1978	453	32	43
1977	344	17.8	27
1976	292	21.6	24

Venture's 50% increase in operating income the last fiscal year indicates new programs such as chainwide planograms may be working. Inset: Thomas Hays, president and ceo.

(DSN photo)

ST. ANN, Mo.—Venture is still paying the price for 13 Turn-Style stores in Chicago, acquired in 1978—primarily inefficiency in stocking—although the recent turnaround suggests it is on the right path.

Operating income for Venture was $12 million last year, half again as much as 1979's $8 million. Sales at the chain were $561 million, a 4.6% increase over 1979's $536 million. Per-store gains were almost the same at 4.3%, but still well below the inflation rate for general merchandise.

A new advertising campaign has been launched for 1981, "Save with style." If Venture's promotional tack can build volume through the higher-margin goods with fashion appeal, bottom-line improvements could outstrip increases in volume.

Productivity is still the big question at Venture: Though last year's increase in operating income was dramatic, 1979's results were a nosedive from the year before. In 1978, operating income was equal to 1980's ($12 million) on a sales base 22% smaller—$100 million less.

Venture's operating income, at 2.1% of sales, is well below the industry average. Even more dramatic, however, is the contrast with Venture's years prior to the acquisition of Turn-Style stores. Operating income had been 5.8% of sales and 4.1% of sales in the two years prior to the acquisition.

The figures for 1980 represented a steady upturn from midyear figures, though, when sales increases were only 3.4% above 1979. A strong holiday season in particular helped Venture, with a December sales increase of 7.5% from the year before.

John Boyle, chairman of Venture's parent May Department Stores, said the 10.6% earnings increase for the corporation's fourth quarter was an improvement.

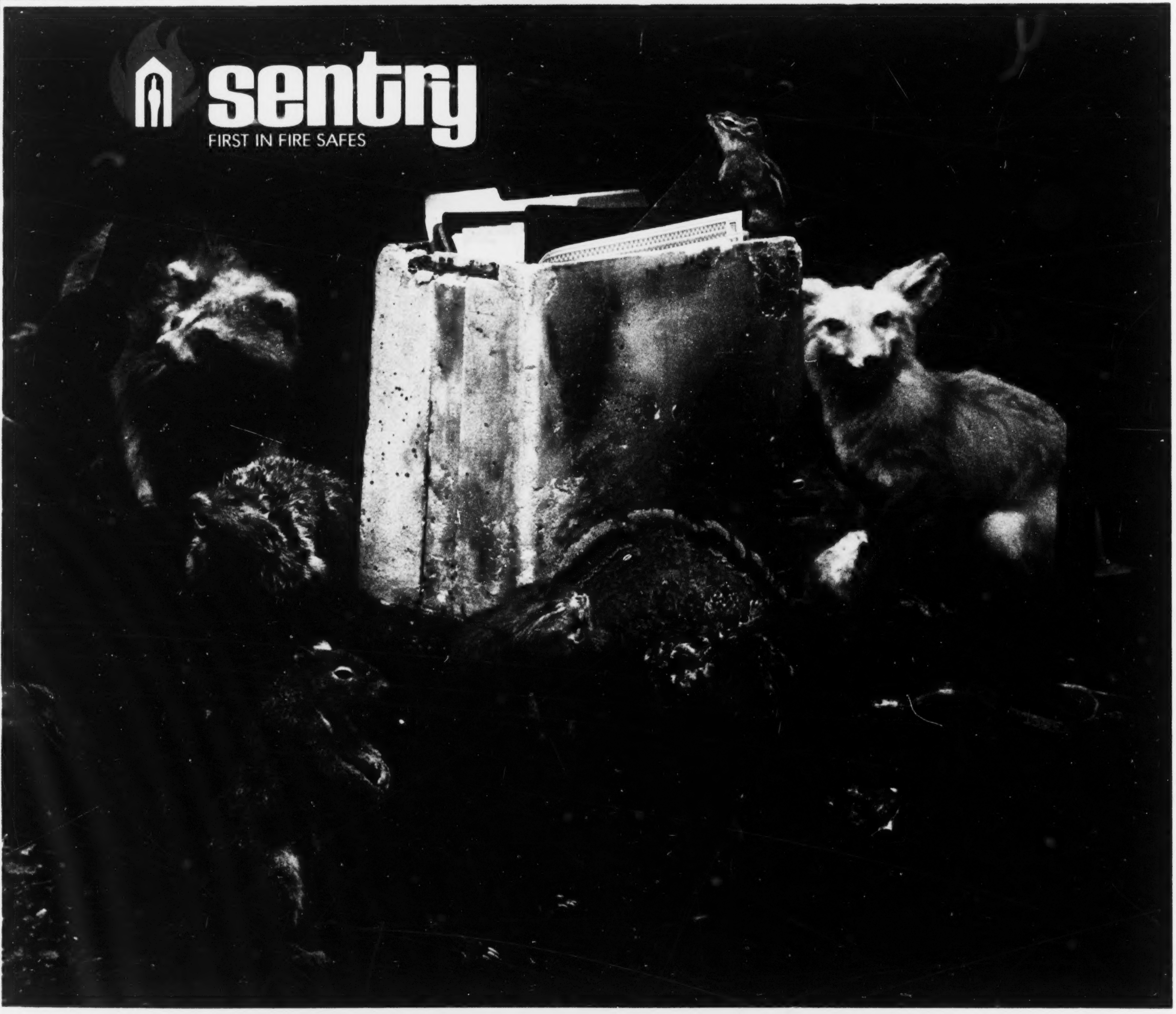
A spokesman at the chain said there are no plans for new stores this year. Venture hopes moves such as chainwide planogramming, reduced personnel at store level and the new "Save with style" advertising campaign will boost sales per square foot productivity at the 45 existing Ventures.

What Venture has been doing under president and ceo Thomas Hays is engaging in a massive move to standardize its stores. Where store managers once had wide leeway in merchandising departments as long as they adhered to general adjacencies, they must now follow chainwide planograms.

The move to uniformity should aid in restocking shelves at store level; consistent out-of-stock problems continue to plague the chain. In addition, it will allow for sharper refinements in merchandise mix.

This is important as Venture's general direction in recent months has been a move to narrower assortments in an effort to increase the number of stock turns.

Promotional thrust of the new ad campaign emphasizes fashion appeal, with emphasis on "items other than toilet paper and paper towels," according to a spokesman.



Survival of the fittest!

UL Rated. Fire tested up to 1700° F. for 1 hour.

The most profitable products for you are the winners that make a name for themselves and survive and thrive! Like the Sentry Survivor®—the popular portable deposit box.

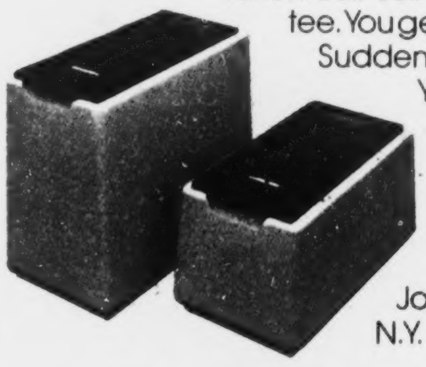
Now Survivor is "fitter than ever" with two brand-new models, Survivor I Master File and Survivor II Policy Holder!

What's the big new selling feature? They are top openers. More convenient! The new Survivor I "Master File", 4½" x 12" x 9¾" inside dimensions. The Survivor II "Policy Holder", 4½" x 12" x 4¾" inside dimensions. Same 1 hour, 1700°F. U.L. fire test as the big Sentry Safes. It's assurance to you and your customers that Sentry products are designed, built and tested to high standards. You can sell them confidently—they'll perform! Both models have exclusive SURVIVACAST® insulation. Self-sell cartons. Ten year after-fire replacement guarantee. You get the best 100% dealer co-op plan in the business. Suddenly, Sentry doubles your Survivor profit opportunity. You've got two sizes and two price points to offer—two ways to profit! The new Survivors.

Just what America's looking for to get its guard up against fire. And they're All-Americans! That's what your customers want. And it means a reliable delivery domestic resource for you. Call John D. Brush & Co., Inc., 900 Linden Ave., Rochester, N.Y. 14625. (716) 381-4900.

The Survivors...Fire Safes by Sentry.

Copyright 1980 John D. Brush & Co., Inc., Rochester, N.Y. 14625



Roses Tests Prototype Designed to Boost Productivity

ROSES

Year	Net Sales (millions)	% Gain	No. Stores
1980	$526.3	5.4	235
1979	498.0	(0.4)	227
1978	500.1	7.4	215
1977	465.6	9.3	237
1976	426.0	—	NA

( ) Loss. NA—Not available.

Rose's latest prototype has virtually eliminated promotional tables, once a major factor of the chain's store design. Other changes include placing high-margin rtw in dominant positions on main traffic aisles. *(DSN photo)*

HENDERSON, N.C.—Roses is testing a new prototype layout designed to strengthen store productivity, following a poor profit performance during the fiscal year that ended Jan. 28.

The chain posted a 25.9% drop in net earnings to $6.5 million for fiscal 1980, compared to the previous year. Sales ($526 million) rose 5.7% over sales in 1979. Fourth-quarter sales climbed to $117 million, up 7.5% from the year before, while last-quarter net earnings plummeted 32% to $4.3 million.

These figures are a sharp decline from the chain's fiscal 1979 performance, when earnings jumped 18% to $8.9 million, on sales of $497 million.

The chain currently operates 180 full-line discount stores and about 58 variety stores. A total of six to eight stores will be on line for grand openings by the end of this year. Most of the newer stores unveiled in 1980 were takeovers, with lower long-term rental costs. This year, about half of the new stores will be takeovers. Roses continues to pursue a dominant position in the rural markets already carved out in 13 Southeastern States.

One way in which Roses hopes to combat the profit decline is with a new race-track store prototype aimed at boosting gross margin productivity per square foot. High-margin categories such as rtw, greeting cards and wrap have been shifted to dominant positions on the main traffic aisle at the entrance of the store. Health and beauty aids now occupies the left front quadrant alongside consumables, relinquishing space to men's wear and greeting cards. Fashion rtw is outside the race track to the right of the entrance, across from sportswear, which has merchandise frontage on both the race track and the midway aisle.

The number of promotional tables—once a predominant feature—has been trimmed to seven from the 100 or more used in the past. The move was made to keep featured items within departments for tie-in sales.

The chain has also installed electronic item tracking equipment (IBM 3680 systems with wands, OCR-A ticketing) in 15 stores to date. This gives Roses the capability for the first time to track inventory, especially vital in apparel and domestics in garnering multiple sales as the chain moves to increase profitability.

Earnings Take Off for Mars

NEW BEDFORD, Mass.—Mars Stores' net earnings for fiscal 1980 were up 80% to $512,898 compared with fiscal 1979 earnings of $285,092. Total store sales for 1980 were $24,169,478, an increase of 16.2% over the $20,794,789 recorded for 1979.

Top-quality Trim® nail clippers offer excellent performance both on and off the shelf. Unconditionally guaranteed Trim manicure implements are proven sellers. Backed by national consumer advertising and packaged for eyecatching customer appeal.

nail clipper
emery boards
nail file
tweezers
toenail clipper
cuticle scissors

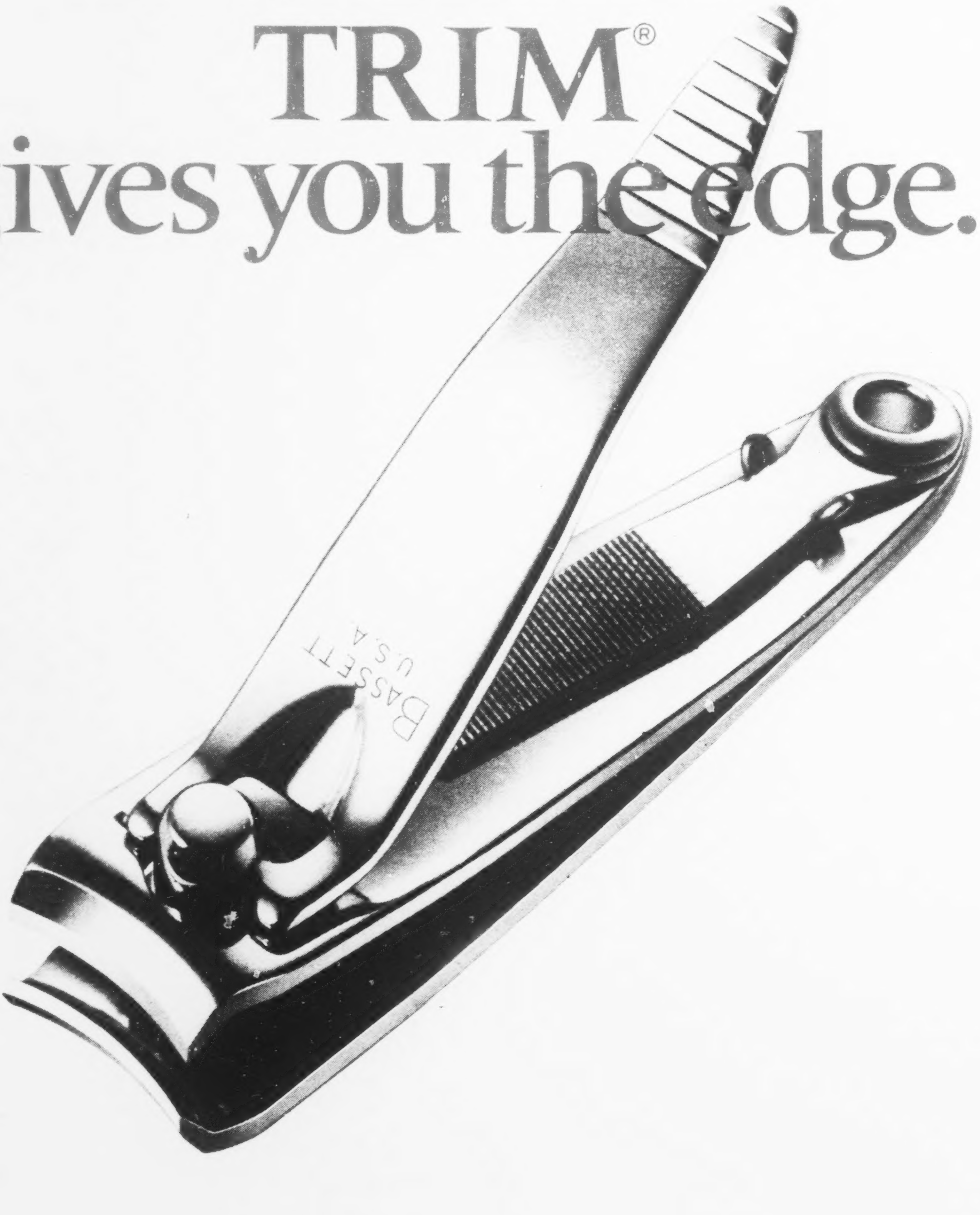
Carry the full line of Trim manicure implements (20 SKU's and growing!). Give yourself the edge.

TRIM®

The W.E. Bassett Company, Derby, CT 06418

Call Doug Moore, TRIM Sales Manager, at (203) 735-1825
to find out how 12 of the 25 leading Discount Chains already have the edge.

TRIM®
gives you the edge.



Zodys, Extending Its Perimeter, Will Open No. 2 in Phoenix Area

ZODYS-RUN DEPARTMENTS

Year	Sales (millions)*	% Gain	No. Stores
1980	$248.9	13.4	41
1979	219.4	14.6	37
1978	191.5	18.8	35
1977	161.2	20.2	33
1976	134.1	13.6	30

Sales are for Zodys-run departments only. Volume from sections operated by other divisions of parent Hartfield-Zodys and from other leased department operators aren't included.

home furnishings
muebles de casa

Zodys has expanded housewares into a home furnishings area by including modular furniture. Stores such as the Hollywood unit in ethnic area use bilingual signs.

(DSN photo)

LOS ANGELES—Zodys has opened the first of two stores in Phoenix, Ariz., as the latest move to expand its operations outside of Los Angeles.

It will also continue to remodel older southern California units to conform to the chain's upscale fashion-oriented presentation.

The new store opened in the Maryvale suburb of Phoenix. The second in that area, due this August, will firm up Zodys' Southwest base that already includes pairs of units in Tucson, Ariz., Albuquerque, N.M., and Las Vegas.

The discounter last fall expanded into northern California by opening in Stockton following earlier moves into central California in Bakersfield and Fresno.

Zodys has 32 of its 41 stores in the greater Los Angeles market, and executives see greater opportunities for profitable expansion by moving into new markets, rather than just augmenting the units already in the core Los Angeles area.

This desire to expand outside of southern California was partly behind one executive's explaining that Zodys wasn't interested in The Treasury units that closed in the Los Angeles area. He also said that these stores were too large in size and close to Zodys units already in operation.

The discounter will open four stores this year, including the duo in Phoenix and two in California. One of the latter will be in Upland in San Bernardino County on the periphery of the greater Los Angeles market, and will open this August. It will be followed in November by a Zodys in southwest Los Angeles.

The four new stores are part of Zodys' long-range five-year $50 million growth plan that calls for opening about 20 stores in that period.

Zodys also plans to remodel three stores this year.

Zodys' opening of four stores last year helped boost the chain's sales to $248,852,000 from company-run departments, a 13.4% jump from $219,440,000. This growth has outpaced the sales increase recorded by parent Hartfield-Zodys, which had a 6.5% gain to $361,076,000 from $339,021,000.

The discounter's share of the parent company's volume went up 6.5%, from 64.7% to 68.9%, as Zodys continued to account for a major portion of Hartfield-Zodys' sales.

The parent company doesn't break out operating profits for Zodys, but the discounter in the past has been the major generator of earnings for the company.

Hartfield-Zodys' net income plunged 74.6% to $2,947,000 from $11,581,000 in the fiscal year ended Jan. 30, 1981, despite its sales gain.

The parent company's strong performance in previous years attracted two Canadian companies that purchased 5.4% of Hartfield-Zodys' common stock in January.

Employee-Owned Pamida Keeps Tightening Belt

OMAHA—Pamida, now known corporately as the PMD Investment Co. after selling its assets Jan. 15 to company employees, is continuing the austerity program which last year saw the chain pull out of two markets and close a record number of stores.

Fifteen stores were closed, nine opened and two relocated as Pamida left Idaho and southern Kansas to cluster locations closer to home.

Management is hoping that the belt-tightening moves will continue to close the distance between the last fiscal year's earnings of $4,732,000 and the $10 million profit figure targeted for 1984 by C. Clayton Burkstrand, president.

Sales for the fiscal year ended in February were $337,223,000, a 1.1% increase over year-before sales of $333,463,000.

Earnings for the same period jumped 55% from $3,053,000 in the previous fiscal year.

The results are among the first showing that the chain is climbing out of the earnings trough into which it plunged in 1978, when an inventory overload, gross margin erosion from heavier-than-usual markdowns and a switch to LIFO accounting pushed earnings down to a scant $528,000 on sales of $318,833,000.

Earnings in the previous year had been $5,783,000 on sales of $294,967,000.

While the chain's conversion to an employees' stock ownership trust (or ESOT, the formation of which is unique in the industry) has not impacted finances directly, Ronald Curtis, senior vice president finance, said the increased incentive of working for an employee-owned company should increase labor productivity, ultimately improving the bottom line.

The ESOT's major effect is on personnel, Curtis said. A four-member ESOT board of trustees to include Burkstrand; Curtis; John Wiesner, senior vice president, accounting and financial administration, and Herbert B. Underwood, senior vice president, director of administration, was appointed by the board of directors.

The board itself is in the initial stages of reorganization with the stepping down of D. J. Witherspoon, chairman, and L. E. Wegener, vice chairman.

All but one new member will be appointed at the next meeting. The board will be comprised of five outsiders and four insiders as the company seeks broader resources because PMD Investment Co., is more leveraged a concern than was the old Pamida, Curtis said.

Old Pamida put to work new strategies to speed recovery from the fiscal 1979's earnings low.

After two years of drastic inventory reductions, PMD is zeroing in on boosting turns from the neighborhood of three to four. Store count is also leveling out; Curtis projected openings of three to five stores this year with closings of as many.

The focus is turning inward at the chain, to the upgrading of both hard and soft lines. For instance, a ceiling fan program tested last year—cautiously because it was a high ticket in a basics mix—will this year be incorporated into a chainwide energy-related program. Hard lines are also entirely planogrammed for the first time.

Soft lines continue to be dramatically upgraded as the chain solidifies its base in existing markets. Still small-town oriented, the chain is reacting to the average customer, now more likely to work in an office, industry or nearby city than in agriculture.

PAMIDA

Year	Net Sales (millions)	% Gain	No. Stores
1980	$337.2	1.1	186
1979	333.5	4.6	188
1978	318.8	8.1	197
1977	295.0	8.0	199
1976	273.1	13.1	197

C. Clayton Burkstrand
President, Pamida

ARE DOUBLE-EDGE BLADES CUTTING THEIR OWN THROATS?

In a recent survey in The Discount Merchandiser,* one buyer said "Disposable blades are a very good item and are growing at a nice rate ... they have just about killed the double-edge market."

Another used even more explicit language. "I am gradually discontinuing all double-edge blades. The only reason I keep one Gillette on the rack is to satisfy the old timers..."

All of which leads us, once more, to ask you this question:

*March 1981 issue.

SHOULDN'T YOU REPLACE THE BLADES THAT AREN'T SELLING WITH THE SHAVER THAT IS.

BiC® shaver

Fishers Big Wheel Joins the New-Prototype Trend

NEW CASTLE, Pa.—Fishers Big Wheel will introduce a race-track prototype with a new decor theme and a store sign that reads "Big Wheel" only, in six to eight stores scheduled to open in Michigan this fall.

A preview of what is to come in the chain's first prototype is partially on view in two stores completed last March in Follansbee, W. Va., and Otsego, Mich.

The 1981 store opening schedule is even more vigorous than last year's, which counted eight units as the chain continued conversions of the Buckeye Mart and Tempo stores acquired in January 1979 from Gamble-Skogmo. New stores are in existing Ohio, Pennsylvania and Michigan markets.

The five Buckeye stores were Fisher's introduction to Michigan, where Jim Welty, executive vice president at Fishers, said upcoming prototype stores will fill gaps between present locations.

Sales for the fiscal year ended in January were $180 million—5.9% over the previous year's $170 million, which had represented a dramatic 54% increase, as a result of the acquisition, over 1978's sales of $110 million.

The ultimate prototype may be smaller than the 40,000-sq.-ft. W. Va. store just completed, at 30,000 to 35,000 sq. ft., chain sources said, but indicated that it would include most of the changes visible in Follansbee and Otsego.

Overall, the emphasis will be on creating a race-track setting and unified decor to highlight a soft line assortment that has been upgraded, refixtured and expanded since the acquisition of Tempo and Buckeye Mart stores from Gamble-Skogmo.

(Units acquired in January 1979 were reopened that March to unveil a soft line selling area increased 50%, from 20,000 to 30,000 sq. ft., to more than one-half of the taken-over store's selling space. The room went chiefly to greater apparel assortments, including promotions with the theme "Experience Our Fashion Difference" for featured items such as $8.88 women's pantsuits and $9.38 men's sports coats.)

With soft-line mix improvements already in place, the prototype layout will be reversed to put soft lines on the left, and the decor simplified to accentuate the mix, "not the decor," Welty said.

Twin red and magenta stripes painted on off-white walls will replace a different color for each department. Carpets will be changed to coordinating burgundy and gray.

The decor ties into a new signing program that replaces wall lettering with ceiling-hung black and white photographs 3½ ft. wide and 7-10 ft. long to identify categories.

Plasterboard finger walls are designed to be merchandised with collagelike apparel displays.

While the look is upgraded, it is not completely upscale: in the Follansbee store, two of three aisles with promotional tables were taken down, but the remaining one spans the front run of the race track.

In apparel areas, fitting rooms will be redone in gray paneling in the women's section, while the men's fitting room will be moved to a more central location and redesigned as an octagon.

Outside, the prototype will be shingled and re-signed, again to simplify the store's look. Instead of echoing the former rainbow of colors inside, the sign will be white.

Marshall Hess
President,
Fishers Big Wheel

Fishers
BIG WHEEL

Fishers Big Wheel will introduce its first prototype this fall. Shingled facades and white lettering will be part of the new look fronting a race-track layout and soft-line emphasis inside. *(DSN photo)*

FISHERS BIG WHEEL

Year	Net Sales (millions)	% Gain	No. Stores
1980	$180	5.8	62
1979	170	54.5	54
1978	110	37.5	38
1977	80	19.4	34
1976	67	6.3	30

NEW WIDER TOP ON HANGER PROVIDES BETTER SUPPORT IN NECK AND SHOULDER AREAS.

VIRTUALLY UNBREAKABLE. WILL YOUR PRESENT HANGER TAKE THIS ABUSE?

LOW COST — NORMALLY YOU CAN SAVE THIS MUCH ON EACH GARMENT YOU DISPLAY.

INCREASE THE EFFECTIVENESS OF YOUR DISPLAYS AND DECREASE YOUR COSTS.

This ladies' dress/tops hanger will make conventional ladies' hangers obsolete. Fashions have changed over the years, and this new hanger from Batts was designed to reflect those changes with . . . a new wider head area . . . redesigned slope to the shoulder area to prevent "droop" . . . notches with spring action to accommodate the varying thickness of straps . . . a wire turnable hook . . . serrated head for use with Batts optional See-Lect-Eez® size indicator system for improved customer self-service and employee productivity . . . smooth radiused edges and ends for easy, fast insertion in garments . . . virtually unbreakable construction.

Send for your free hanger sample, brochure, and price list today. Model No. 290, 16" long.

John Thomas Batts inc ®

ZEELAND, MI 49464 PHONE (616) 772-4635

With almost 39,000,000 coupons circulating, **hope you remembered to stock the Scotchgard® Fabric Protector!**

We're telling the "Hope you remembered the Scotchgard® Brand Fabric Protector!" story to more of your customers than ever. In 4-color ads in Reader's Digest, Ladies' Home Journal, House & Garden, McCall's, Better Homes and Gardens and House Beautiful.

So don't be caught with your stocks down. Feature plenty of Scotchgard® Fabric Protector. Remember, the coupons are circulating—39,000,000 of them! And the promotion allowances. Ask your 3M representative all about them.

3M Hears You...

3M

ACCESSORIES
$10.00

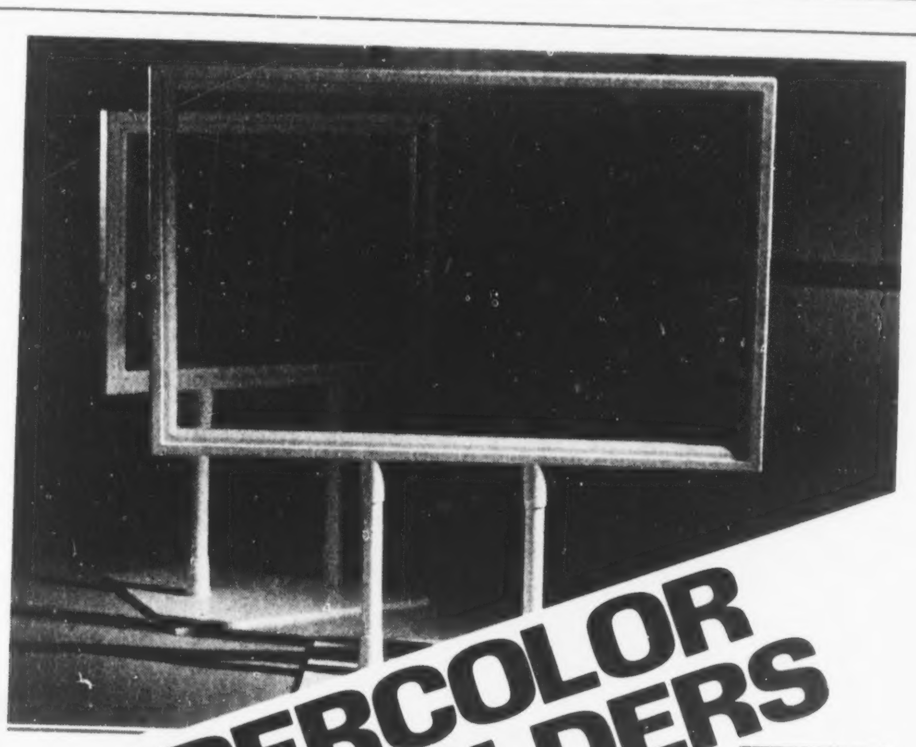
Ladies' Apparel Outlook:

Sales in this department will be a bright spot for discounters as buyers develop higher-ticket hot items in apparel and apparel-related categories.

K mart (l.) extended apparel upgrades to lingerie and accessories, positioned along the main aisle, in its Indianapolis, Ind., prototype.

Venture's Kansas City, Kan., store's half-size area (r.) with a boutique look presenting newly stylish separates is one more sign of the industry upgrade that began in 1980. The major trend for 1981: maximizing profits in every apparel department by using fashion fixtures and upgraded assortments for greater visibility for the high-margin categories.

PLUS SIZE SHOP
5.99


SUPERCOLOR CARDHOLDERS

Available in buff, white, red or brown

Injection molded, durable plastic

Will not rust or tarnish

Five different sizes, 7 x 11, 11 x 7, 7 x 5½, 11 x 14, 14 x 11

Several models, including double stem, flat base, shovel base, & wall mount

Complete line of shelf & fixture adapters available

Perfect for every cardholder need

CSI Write or call (1-800-654-8435) for your free color brochure

Central Sales Promotions inc.
P.O. Box 53444 · 130 N.E. 50th Street · Oklahoma City, Okla. 73152 · 405/525-2335

Danners Eyes Big Biz Jump From Fattened Co-op Ad Kitty

INDIANAPOLIS—Danners is looking for a leap in volume this year, with a 30% goal in sales increases set.

Management plans to reach the volume goal largely through a revamped advertising program, in which frequency of tabloids and page counts of each circular are up almost 50% from a year ago.

Sales for the fiscal year ended Jan. 31, 1981, were $118.3 million. This represents an increase of 9.8% from the year before, in which sales were $107.7 million.

Danners' total for the year was aided by an extremely strong fourth quarter, in which sales increases from the year before totaled $7.8 million, representing a 24.7% gain.

The sales increases came at a high price, however, as Danners recorded a net loss of $386,351 for the year. This compares with a net income of $450,091 for fiscal 1979.

DANNERS

Year	Net Sales (millions)	% Gain	No. Stores
1980	$118.3	9.8	29
1979	107.7	10.3	26
1978	97.6	17.9	23
1977	82.8	19.1	20
1976	69.5	8.6	17

The firm achieved its fiscal 1980 gain on a store base 11% larger than the year before. Three new stores were added, totaling 130,000 sq. ft. The new units, all in Indiana, were opened in Portland, Columbus and Rochester.

This year, Danners plans to add one discount store, a 33,690-sq.-ft. 3D, scheduled to open later this month in Scottsburg, Ind. The opening will bring the company's 3D store count to 30.

(Danners also operates 27 Danners' variety stores and 20 restaurants, although the growth direction at the company is heavily behind its discount stores. At the end of fiscal 1979, the company operated the same number of variety stores and had 25 restaurants.)

Business strategy at Danners has turned around since the first half of last year. A spokesman at the chain said heavy cutbacks of inventory for the first half of 1980 acted as a damper on sales growth, which held down results for the year although the inventories were bolstered in the second half of the year as Danners increased its promotional efforts.

This year's increase in promotion is actually the second step—up from an initial increase at the midpoint of last year—which helped produce the strong fourth quarter.

From a scheduled frequency of 38 circulars a year at the midpoint of 1980, Danners upped its use of circulars to 46 a year. This year, the company is running 56 tabloids.

The new promotional push includes special spring and fall auto department circulars being run for the first time, carried inside other Danners circulars.

Although the advertising budget has been increased roughly 30%, much of the cost will be carried by co-op ad dollars from manufacturers. The chain has shifted away from ROP advertising in favor of more circulars, many of which are direct-mailed. Management at the chain feels this is the best means to achieve saturation of its small-town markets.

An average of 150 items a week are being promoted this year, in circulars averaging 12 pages. (Last year, circulars averaged eight pages.) This number of items may be reduced later in the year, a spokesman said, once market-share increases have been achieved.

America's most cooked in cookware —and more.™

MIRRO ®

Buy what sells!

DU PONT SilverStone. Other items made by Mirro Corporation use SILVERSTONE, the premium non-stick surface.

© 1980, Mirro Corp

Hills to Offer Two Scholarship Prizes

CANTON, Mass.—Hills will offer two C. R. Gordon Scholarship Awards in 1981.

The $500 prize, renewable for each of four years, will be awarded to two college-bound sons or daughters of Hills employees.

The award, named in honor of one of the chain's founders, was first offered in 1974 in the belief that "contributing to an educational investment in an employee's family is one of the soundest investments a company can make."

King's Consolidates, Puts Final Touches on Absorption of Barkers

KING'S

Year	Net Sales (millions)	% Gain	No. Stores
1980[1]	$729.7	26.6	253
1979	576.2	6.6	191
1978	540.6	13.8	183
1977	475.1	40.5	121
1976	338.1	—	114

[1] Reflecting the addition of the Barkers' acquisition

Sportswear
Infantswear

King's new prototype at Seabrook, N.H., is designed to spur apparel sales with a race track aisle that leads customers through soft lines departments upon entering the store. Inset: Paul Kwasnick, president. *(DSN photo)*

NEWTON, Mass.—As it wound up its fiscal 1980, King's was putting the final touches on the absorption of Barkers, the 63-unit discount subsidiary of Cornwall Equities—a conglomerate which also owns a 12% interest in King's. Part of that consolidation included placing the King's nameplate over Barkers' stores, and converting all stores to a new upscaled prototype.

The consolidation also meant bringing merchandising and administrative operations under one roof. At presstime, the headquarters staff was made up of two-thirds King's people, and one-third Barkers'. Most of the soft line buyers, whose ranks have been expanded and moved out of the former Barkers office in the Bronx, N.Y., are from King's. The majority of hard line buyers, are from Barkers.

King's also acquired 102 Franklin stores in the deal, but was negotiating to sell them to Petrie Stores, a 625-unit apparel specialty chain, by the end of this month.

Also new at King's was Paul Kwasnick, lured back as president this January. Kwasnick left King's in 1978, after disagreements with the chain's founders, Aaron Cohen and Murray Candib. Sol Kittay, chairman of Cornwall, took over as King's head in March 1980 after the departure of Bernard Litwak—the man who replaced Kwasnick.

(Leon Mesnik, former Barkers president, now heads King's importing division—called KDSI—King's Department Stores International. Morton Fisher, former senior vice president and general merchandise manager at King's, is now executive vice president.)

In the stores, the newly merged chain will retain and maximize the strengths of each company: King's in soft lines and Barkers in hard lines. The ratio between the two areas will break down to 50-50.

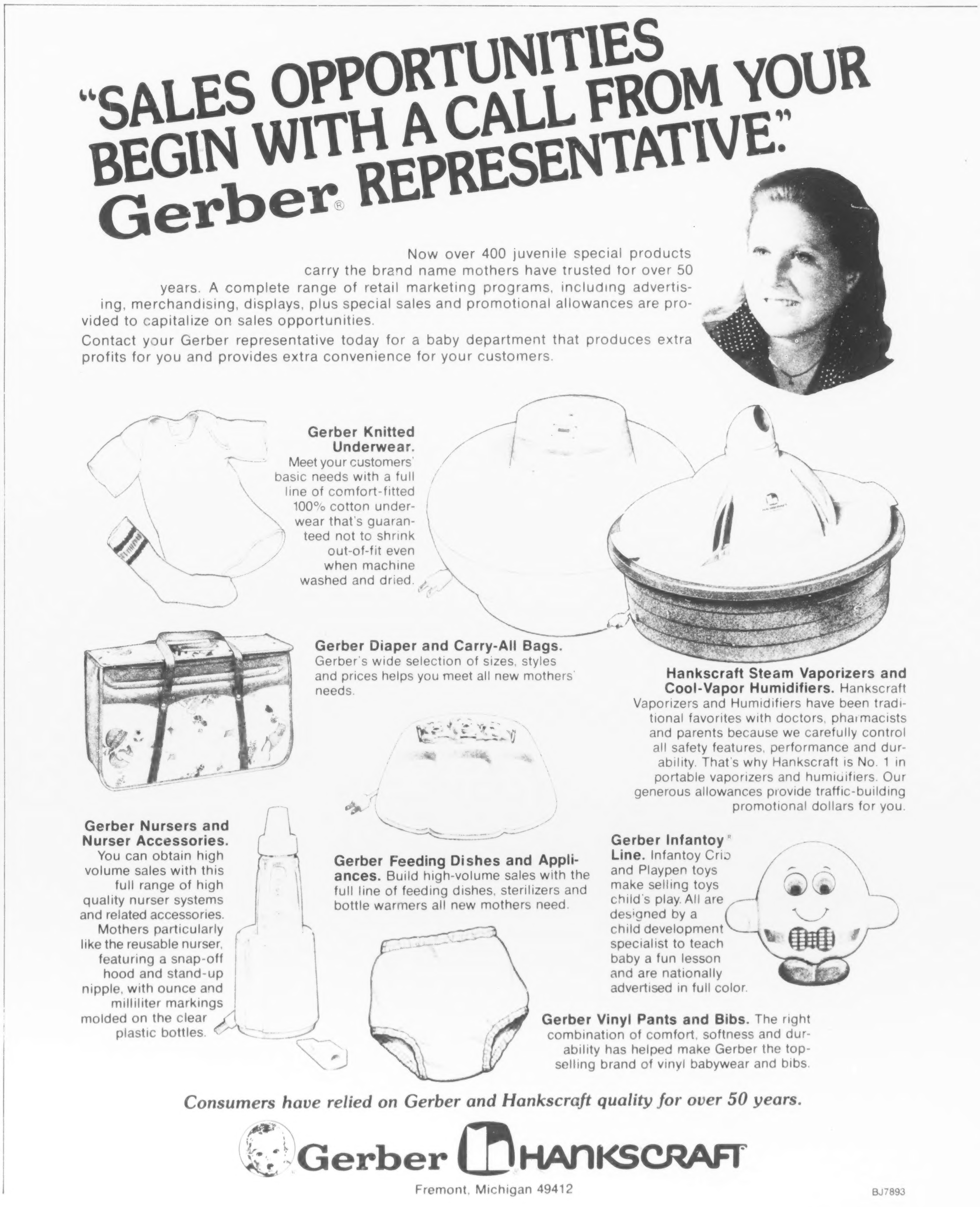
The chain has also replaced the speed aisles found in older King's units with a race-track aisle, and installed wood-grain display tables that are color-coordinated with the new orange, gold and brown wall decor.

The new prototype is designed to spur apparel sales by using the race track to guide customers through apparel.

King's fiscal year ended Jan. 31, 1981, saw a 75% drop in net income to $3.9 million on sales of $729.7 million, a 26.6% rise from the year before. The latest year's figures include sales and earnings of both the Barkers and Franklin chains.

Hartfield-Zodys Payout

LOS ANGELES—Hartfield-Zodys, parent of Zodys discount stores, declared a quarterly dividend of 10¢ per share, payable May 15 to stockholders of record on April 24.



"SALES OPPORTUNITIES BEGIN WITH A CALL FROM YOUR Gerber® REPRESENTATIVE."

Now over 400 juvenile special products carry the brand name mothers have trusted for over 50 years. A complete range of retail marketing programs, including advertising, merchandising, displays, plus special sales and promotional allowances are provided to capitalize on sales opportunities.

Contact your Gerber representative today for a baby department that produces extra profits for you and provides extra convenience for your customers.

Gerber Knitted Underwear. Meet your customers' basic needs with a full line of comfort-fitted 100% cotton underwear that's guaranteed not to shrink out-of-fit even when machine washed and dried.

Gerber Diaper and Carry-All Bags. Gerber's wide selection of sizes, styles and prices helps you meet all new mothers' needs.

Hankscraft Steam Vaporizers and Cool-Vapor Humidifiers. Hankscraft Vaporizers and Humidifiers have been traditional favorites with doctors, pharmacists and parents because we carefully control all safety features, performance and durability. That's why Hankscraft is No. 1 in portable vaporizers and humidifiers. Our generous allowances provide traffic-building promotional dollars for you.

Gerber Nursers and Nurser Accessories. You can obtain high volume sales with this full range of high quality nurser systems and related accessories. Mothers particularly like the reusable nurser, featuring a snap-off hood and stand-up nipple, with ounce and milliliter markings molded on the clear plastic bottles.

Gerber Feeding Dishes and Appliances. Build high-volume sales with the full line of feeding dishes, sterilizers and bottle warmers all new mothers need.

Gerber Infantoy® Line. Infantoy Crib and Playpen toys make selling toys child's play. All are designed by a child development specialist to teach baby a fun lesson and are nationally advertised in full color.

Gerber Vinyl Pants and Bibs. The right combination of comfort, softness and durability has helped make Gerber the top-selling brand of vinyl babywear and bibs.

Consumers have relied on Gerber and Hankscraft quality for over 50 years.

Gerber HANKSCRAFT
Fremont, Michigan 49412

BJ7893

Troubled FedMart Is Going Private Under Mann

FEDMART

Year	Net Sales (millions)	% Gain	No. Stores
1980	$1,061.1	8.6	68
1979	977.2	39.9	69
1978	698.4	28.3	71*
1977	544.3	17.9	47
1976	461.5	20.9	47

*Includes acquisition of the Two Guys stores.

FedMart's owner, Hugo Mann (inset) has been trying to find a niche in the southern California marketplace for his hypermarket discount chain. After two years of losses and executive suite turmoil, the German retailer recently decided to take the chain private. *(DSN photo)*

SAN DIEGO—Plagued with severe turnover in middle and upper management and losses of almost $15 million in the last five quarters in spite of recent belt-tightening, FedMart is going private. The transition is expected to be consummated without a hitch.

The discounter's newest plan culminates a year filled with financial woes, internal mayhem, controversy and an almost complete turnover in the executive suite. In addition, the chain closed its 32,000-sq.-ft. San Antonio, Tex., warehouse and requested wage freezes from unions representing the chain's employees.

Chairman and majority stockholder Hugo Mann, who owns 88% of the firm's stock, has organized a separate corporation—FM Holdings Inc.—under his trusteeship to acquire the retailer's outstanding stock and warrants.

The FM Holdings offer, expected to be completed at presstime, includes an exchange of $12.80 per share for all outstanding stock and 35½ ¢ per warrant.

Even though the 68-unit discounter passed the $1 billion sales mark in the fiscal year ended Aug. 31, 1980, the chain's need for new equity capital and its unattractive stock position left FedMart with little option but to be taken private by Mann, a West German retailer.

FedMart, which is changing its fiscal year to a February-January pattern starting this year, reported another loss of approximately $8 million on sales of $469.5 million for the period between Sept. 1, 1980, and Jan. 31, 1981.

The fiscal year change will put FedMart's reporting in line with the rest of the nonfood retail industry and will allow for improved balance-sheet ratios because inventories are at their low point in January.

In attempts to return to profitability, new belt-tightening moves were initiated by its newest president, Jan W. Heydorn.

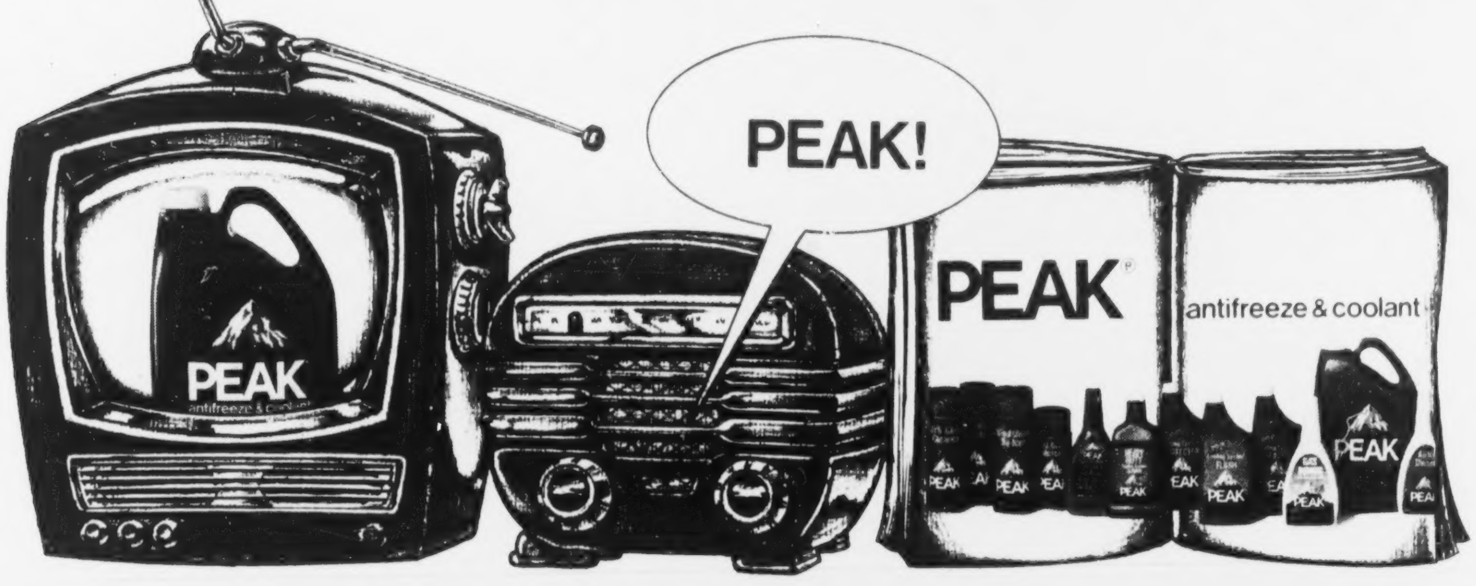
Such measures included the sale of the corporate jet, the freezing of executive and junior management salaries and the closing of at least one warehouse.

Early reports that FedMart was also considering closing the 88,650-sq.-ft. Hempstead, Tex., and the 46,080-sq.-ft. Tempe, Ariz., warehouses have not come to pass. Company officials refused to comment, but other sources said warehouse distribution changes are in the works, including a test for a new warehouse/distribution system for drug items in several units. The chain reportedly buys only low-turn products from wholesalers, preferring to warehouses approximately 85% of its drug merchandise.

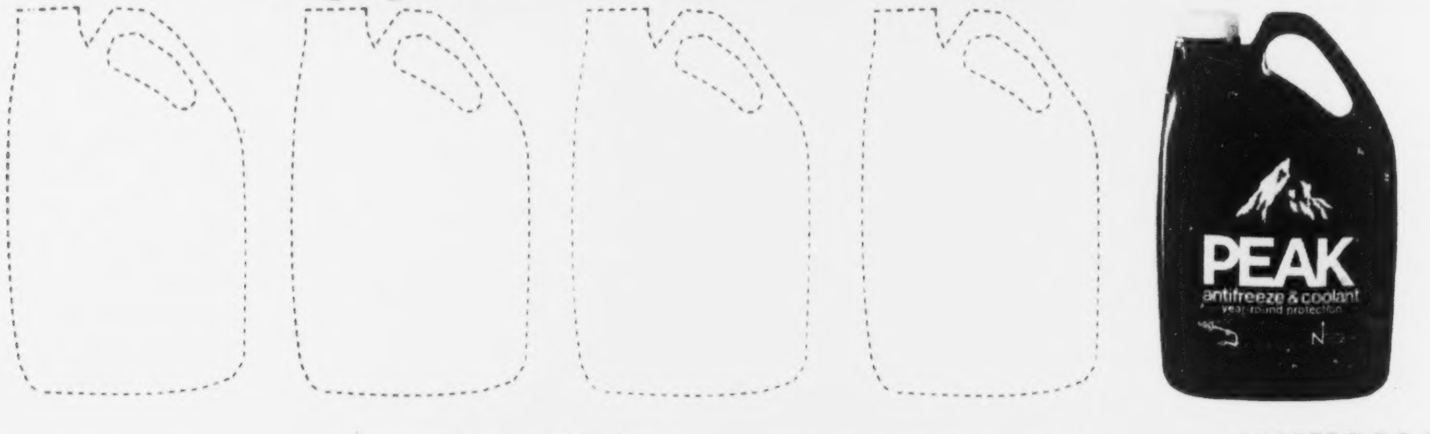
With the new plan, the chain would buy prescription drugs and some H&BAs through wholesalers, thereby reducing transportation expenses and

(Continued on page 142)

This year PEAK will be appearing on TV, radio and in print...



and disappearing from your shelf!



Wherever your customers look this year, they'll be taking a peek at PEAK. With 124 insertions featuring the PEAK line in just about every magazine the car and racing buff reads. Even special inserts for the "Sports Illustrated" Indy 500 and World Series issues.

We'll be in 4-color full-page ads in special race programs, plus radio and newspaper ads where the NASCAR Grand National Races are running.

NASCAR

And with close to a total of 240 million adult impressions, our year-round TV and radio campaign for PEAK® antifreeze & coolant will impress your customers, too.

1981 is the PEAK year. And PEAK is going to make it a very big year for you!

PEAK
Diesel Fuel Treatment
Anti-Gel
Flush
Cooling System Protector
Cooling System Sealer
Carb Choke Cleaner
Windshield De-Icer
Gas Bonus
Auto Diesel

Northern
Petrochemical
Company

Specially designed early buys, promotions and co-op plans are yours for the asking.
Call your PEAK representative or 800-323-2300 Ext. 6137 (toll free)

Cook United Eyes Rink's Acquisition as Key to Doubling Volume

COOK UNITED

Year	Net Sales (millions)	% Gain	No. Stores
1980	$334.5	(2.5)	83
1979	343.2	(.98)	80
1978	346.6	5.7	80
1977	327.8	6.1	77
1976	308.9	NA	76

( ) Loss. NA—Not available.

COOK UNITED, INC.
COOKS
DISCOUNT DEPARTMENT STORE

Rink's
BARGAIN CITY

Cook United will use its acquired Rink's stores as the model for conversion of 18 Ontario stores and three Clark's or Cook's units in four metropolitan Ohio markets. *(DSN photos)*

MAPLE HEIGHTS, Ohio—Cook United, operator of 83 Cook's, Clark's, Ontario and Uncle Bill's discount stores in 13 states, reported flat sales for 1980—but management eyes the April 1981 acquisition of 47 Ohio Rink's stores as the key to almost doubling sales this year.

With the new stores and their metropolitan Ohio locations, sales for the current fiscal year should hit $700 million despite last year's results, Ralph Luffler, vice president, treasurer, said. The takeover also boosted sales floor space by 50%.

Discount division sales, which make up 81% of company volume (and also includes a wholesale distribution division and three specialty retail operations), were $344,507,000 in the fiscal year ended February 1981, dropping 2% from $343,-220,000, a slight drop from 1978's $346,607,000.

Overall, company earnings in 1980 dropped to $1,679,000 on sales of $427,890,000, compared to the year-earlier $5,-863,000—including $1,636,000 from the disposition of discontinued operations—on sales of $422,813,000.

Cook United executives plan to pull the discount arm out of its two-year sales slump by repositioning 21 stores, including all 18 Ohio Ontarios and three Cook's or Clark's, as Rink's. They will be run "somewhat autonomously from Cook United by the Rink's people," Luffler said.

Acquired April 3 from Gray Drug, Cleveland, Ohio, for about $35 million, Rink's rang up sales of $266 million in it's last full year of reporting, ended May 1980.

The new units, in metropolitan Cincinnati, Columbus, Dayton and Toledo, are surrounded by existing Cook United stores in small towns.

Cook United, however, has a tall order to fill: in addition to flat sales and continuing economic presures industrywide, the company is up against unemployment from automobile industry layoffs in the Ohio markets.

(Expansion of last year's test in a handful of stores of cut-case consumables departments called box stores, another effort to bolster sales, is on hold with results "inconclusive" at best, Luffler said.)

In Cook United's favor now, however, is what Luffler called the "surprising similarity" between its stores, especially the Ontarios, and Rink's—which management predicts will keep conversion costs low.

Luffler said there would be no structural changes, although layouts will be altered. Mixes, too, are alike, although Cook United's home improvement departments will be brought up to par with Rink's with an expanded mix.

Follow-up activity incorporating Rink's stores into the company will likely occupy Cook United's efforts throughout the year, sidelining new store construction.

The Gillette All-Star Promotion's got the bases loaded.

When you play ball with Gillette, get ready to play a triple header. Because this year's All-Star promotion has three superstar events guaranteed to bring in a sell-out crowd.

1st–All-Star balloting.
Our promotion display contains All-Star ballots, and a ballot box so your customers can vote right in *your* store.

2nd–$20,000 consumer sweepstakes.
Once your customers cast their All-Star ballots, they become eligible to win $20,000, and a trip for six to the All-Star game, plus 1,000 second place prizes.

WIN $20,000
WHEN YOU VOTE IN THE Gillette
OFFICIAL All-Star Election
MAJOR LEAGUE BASEBALL
SWEEPSTAKES
ENTER NOW!
DEPOSIT
TAKE ONE
Atra
TRAC II
Gillette
OFFICIAL All-Star Election
MAJOR LEAGUE BASEBALL
VOTE HERE!

3rd–Instant coupons.
We're putting instant coupons right on the package – 25¢ on Atra 5's, 25¢ on Trac II 5's, and 50¢ on Atra razors!

Home–we've got you covered!
We're giving this promotion major consumer advertising support for incremental sales.

Plus *you'll* get a sporting All-Star windbreaker free, when you send in the dealer coupon from the display.

Your customers will be looking for it, so order your All-Star display today!

It'll bring in profits that could make you loaded!

For more information contact your Gillette sales representative.

Gillette

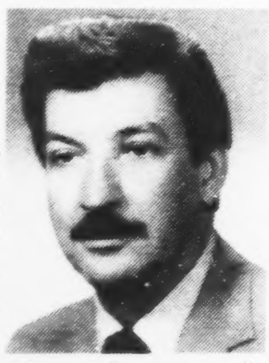
© 1981 The Gillette Company, Boston, MA 02199, USA

Executive Changes

Big K Ups 10 to VP; Ames Names 3

Kuhn's Big K has promoted 10 officers to vice presidential positions: **JAMES A. WALKER,** treasurer/controller; **CARL MACKE,** human resources; **JAMES TALLEY,** distribution; **RONALD STOVER,** division merchandise manager, hard goods; **WILLIAM I. KUHN,** division merchandise manager, home furnishings; **STEVEN COCHRAN,** loss prevention; **DON HOWELL,** regional manager, central division; **JAMES R. POTTER,** regional manager, western division; **HAROLD GARLAND,** regional manager, eastern division, and **RONALD F. NIESEN,** management information systems.

Ames Department Stores appointed **GARY W. FRIES** buyer for curtains, drapes, rugs, floor coverings, yarn and craft items. **KATHLEEN M. KESTER** has been promoted from assistant buyer to buyer. She will be responsible for buying all preschool toys, girls' toys, dolls and plush toys. **NEAL F. CROSKY** has been promoted to buyer of giftware, home decor, household chemicals and paper goods.



T.G. & Y. promoted **GARY BROADHEAD** from buyer of housewares and tinware to group buyer. He will oversee candy, automotives, lawn and garden, stationery, housewares, glassware, tinware and sporting goods.

Gold Circle has promoted four executives to vice president. **DAVID COVITZ,** divisional merchandising manager—smallwares, has been elevated to vp-merchandise manager. **ALLAN SHERMAN,** divisional merchandise manager—home furnishings, was raised to vp-merchandise manager. **FRANK ODDI,** assistant controller—finance, was upped to vp/assistant controller—finance. **GORDON "MURPH" BRYAN,** regional manager for the Columbus, Ohio, stores, was promoted to vp/regional manager—Columbus.

The May Company, operator of Venture Stores, has promoted **PATRICK DEL ROSSO** to the position of managing director for May Department Stores International's newly established liaison office in Manila. Del Rosso, who has been with May since 1975, was most recently account executive for import development at Venture Stores corporate headquarters.

K mart

(Continued from pag 74)

been moved to the store front along with cameras. Home improvement merchandise has been drawn together in a more complete department, and H&BA features a broader cosmetics mix with more upscale vendor displays.

Store layout as a whole is in a race-track design while simplified signing and earth tones are used to improve general store appearance.

While K mart hopes to improve volume with this increased emphasis on existing units, and places less emphasis on new stores, the bottom line depends on better operating procedures.

Given K mart's rising administrative costs as a percentage of sales, management has undertaken steps to reduce personnel, increase its own distribution capacity and increase POS equipment. The need for these changes—K mart has lagged behind the industry in installing POS equipment, and distribution facilities have not kept pace with store expansion—could force the chain to seek outside financing. In addition, new facilities coming on line could cause startup problems this year.

K mart hopes to lick nagging out-of-stock problems through building its private carrier fleet; plans call for 85% of the stores to be serviced in this fashion by the end of the year. In addition, the number of distribution centers will almost double this year and in the first half of 1982, as five new ones are built at 1 million sq. ft. each.

In K mart's information-processing program, called KIN, almost a third of the chain's stores are expected to be hooked up by the end of the year.

Another cost-curbing move for the future involves a recent move to cross-train district managers in apparel categories and automotive and sporting goods. With managers responsible for more than one merchandise category (but fewer stores), field personnel can eventually be reduced. With payroll costs pinching the bottom line, there may be more changes of this sort in the works.

FedMart

(Continued from page 134)

inventory investment.

Sources also said FedMart may experiment with an approximately 150-sq.-ft. nutrition department in several units this year. These test sections are expected to include natural foods and vitamins and some natural health and beauty aids.

The distribution system streamlining is still only a small part of the chain troubles: FedMart is also still involved in negotiations with several Retail Clerks Union locals. The firm has requested wage freezes for store employees with other RCL locals and Teamsters, whose contracts will expire throughout the year.

Amid these negotiations, FedMart has continued to deny rumors of store closings, but industry observers and security analysts agree the outcome of these talks will undoubtedly have a heavy bearing on FedMart's next move. Some sources speculate that FedMart might be better off disposing of those stores in areas where the real estate value has substantially appreciated.

While the chain has no plans to expand this year, it expects to complete its remodeling program.

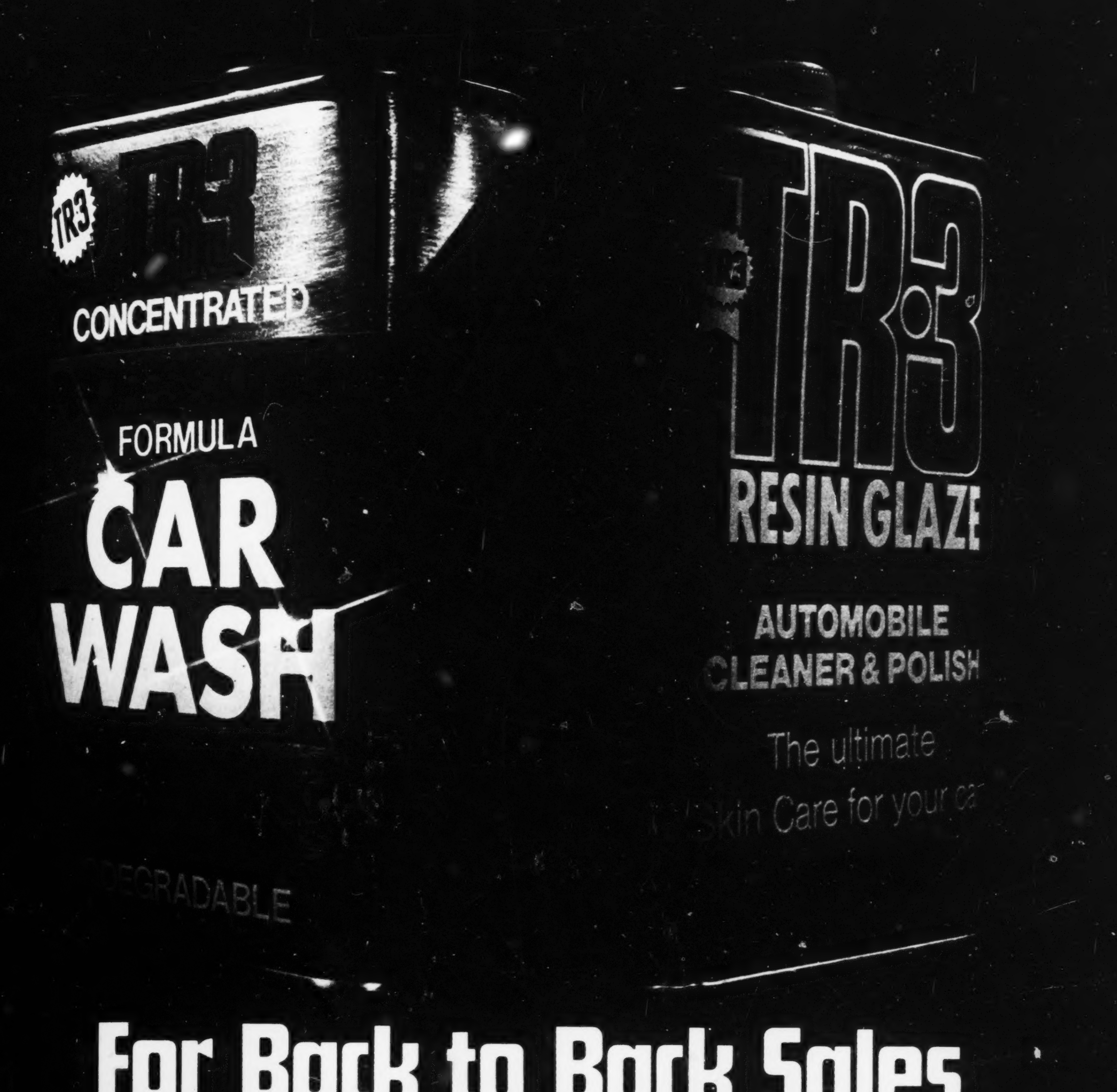
Key management resignations and firings this year included the replacement of Bernard Litwak, president for only five months, with Jan Heydorn, and the departures of both Robert Quayle, a top merchandising executive and vice president, and William Sliney, executive vice president-finance. Heinz Gundlach, who remains as vice chairman, has been removed from FedMart's day to day operations, while Mann takes over the reins of the executive committee, which Gundlach had chaired.

Toys 'R' Us Sets Another Near Chi

BLOOMINGDALE, Ill.—Toys "R" Us has purchased a 5.2-acre site in Stratford, a planned community in west Bloomingdale, near Chicago, for a 43,000-sq.-ft. store.

Construction is scheduled for completion by September 1981. By year's end there will be approximately 20 of the chain's stores serving the Greater Chicago area.

DYNAMIC DUO



For Back to Back Sales

INTRODUCING TR-3 PROFESSIONAL FORMULA CAR WASH™

The ideal easy-to-use product for a super clean car. TR-3 chemists created this unique professional formula to be the finest car wash available. Double up on sales with this DYNAMIC DUO from the makers of TR-3 RESIN GLAZE™, TRUCK AND VAN GLAZE™, AND IMPORT RESIN GLAZE™

TR3®

TR-3 CHEMICAL CORPORATION
330 W. TAFT/ORANGE, CA 92667 (714) 632-5000
TWX 910 593 2887

© Copyright 1980

Ads Reflect Direct Price Approaches

The considerable expense discounters are incurring to get consumers into their stores and in a spending mood was witnessed in April ads, where promotions ranged from "weekly savings magazines" to a warehouse sale that took place in the warehouse.

Discounters have been generating the excitement of a flea market with off hours, and unconventional environments, like a warehouse, and going the way specialty discounters favor with expanded apparel assortments at promotional prices.

Big K ran a near-full-page ROP ad for the last day of its Sunday $10 million warehouse sale, featuring a map to the warehouse north of downtown Nashville, where everything was on sale. A Coke and hotdog for 39 cents were part of the excitement for the noon to 6 p.m. event.

Heck's, the Charleston, W. Va.-based chain, sponsored a similar event with a "Lucky Seven-Eleven" sale. From 7 to 11 p.m., free refreshments were available, and prizes including a 20-in. bicycle, were given every 15 minutes.

The event ran in addition to Heck's April Sale Days promotion.

On sale: men's dress shirts at $7.99 from $11.99, leading apparel offerings and a broad assortment from the Food Center, Heck's consumables department.

Consumables and better apparel are promoted as frequently as the more familiar small appliances, housewares, H&BA and low-ticket seasonal goods; they are fair game now that discounters have committed to well-trafficked consumables departments and upgraded apparel lines whose high margins are needed even more with the industry's increased promotional activity.

Seasonal items including cameras, lawn and garden supplies, fishing and camping equipment and candies often play second fiddle to a new grouping of promotional items.

Gold Circle's full-size, 12-page color tab called "Money Savers, Your Weekly Savings Magazine!," featured only name brand apparel on p. 1; Calvin Klein jeans for women were advertised at $24.88, along with Levi's for men at $13.88. Inside, juniors, girls' and half-size items were promoted.

The front page of Zayre's "Spring Savers" tab included five apparel and one domestics listing, including boys' three-piece suits marked down to $9.59-$27.99 from $15.99-$39.99. Girls' skirt sets were marked off $1.99 to $4.99.

Bradlees' full-size color tab's p. 1 was a Superman graphic, with the "S" replaced by a dollar sign. The slogan "Something super is happening this week at Bradlees again . . . " referred to the second time the promotion has run.

Inside were two-page spreads for men's and women's apparel. Men's knit shirts were reduced to $5.99 from the regular $9.99, while the women's counterpart, appliqued with the chain's bumblebee trademark, was reduced from $7.99 to $5.49.

Instead of a fanciful spring theme, Rink's tab last month was titled "April's Biggest Bargains." It featured seasonal spring cleaning values.

ADSCAN

Tags of Brand-Name Items in Recent Ads

This new format for DSN's survey of recently advertised prices was selected because it allows us to include many more items than the previous format, from a greater number of chains. This alphabetical listing allows you to check your prices on 60 nationally known brand-name items against advertised prices from chains across the country. Readers are invited to send comments to ADSCAN Editor, Discount Store News, 425 Park Ave., New York, N.Y. 10022.

Item	Price	Chain	Location
Anacin, 200 ct	$ 2.99	King's	New England
Bohsei 13" color TV, #TC7001	248.00	Woolco	Ohio
Calvin Klein jeans	24.88	Gold Circle	Ohio
Canon AE-1 35mm camera	264.00	Woolco	Ohio
Castrol GTX motor oil, 10W40, qt	0.88	Two Guys	Newark
Chase & Sanborn Coffee, 1 lb can	1.99	Heck's	W. Va.
Clorox 2 Bleach, 40 oz	1.09	Two Guys	Newark
Coca Cola, 2 liter	0.89	Heck's	W. Va.
Corelle 16 pc, dinnerware set	19.90	King's	New England
Corning Ware Casserettes, 14 oz	3.99	King's	New England
Dak canned ham, 2 lb	4.79	King's	Mass.
Delco Freedom 50 car battery	54.99	Bradlees	New England
Dow Bathroom Cleanser, 17 oz	0.94	K mart	Ohio
Downy Fabric Softener, 64 oz	1.88	Rink's	Ohio
Drycrete Concrete Mix, 40 lb bag	1.49	Richway	Atlanta
Eureka Canister Vacuum Cleaner, #613	71.87	K mart	Rochester
Farberware 15 pc Cookware set	89.70	Caldor	Mass.
Fruit of the Loom Boys T-shirts, 3 pk	2.50	Bradlees	New England
G.E. Coffeemaker, #DCM-15	34.88	Zayre	Mass.
Gillette Body N' Curl Brush, #2970	9.70	Caldor	Mass.
Goodman's Potato Puff Mix, 6 oz, 3 box/	0.99	Two Guys	Newark
Grill Time Charcoal Briquets, 20 lb bag	2.87	Woolco	Ohio
Hoffman Line, 5 lb bag	1.99	Richway	Atlanta
Durand, 24 pc glass set	9.99	Gold Circle	Ohio
Johnson 115 Century spincast reel	10.99	Holiday Village	Minneapolis
Kodak Colorburst 50 camera	19.97	K mart	Ohio
Kodak Ektralite 500 camera outfit	37.88	K mart	Ohio
Listerine mouthwash, 32 oz	2.37	Fred Meyer	Oregon
Loft's Kentucky Bluegrass seed, 1 lb	0.66	Rink's	Ohio
Lucite Wall Paint, 1 gal	8.99	Woolco	Ohio

Item	Price	Chain	Location
Maverick jeans	12.00	Caldor	Conn.
McGregor Baseball, Glove, #G10T	21.00	Goldman's	Dayton
Mennen Speed Stick deodorant, 2.5 oz	0.97	Two Guys	Newark
Michigan Peat, 40 lb	0.99	K mart	Ohio
Minolta XG1 35mm camera outfit	228.99	Venture	Chicago
Norelco Dil A Brw cffmkr, #HB5140	21.88	Venture	Chicago
Ortho Lawnfood, 24-4-8, 40 lb	12.99	Richway	Atlanta
Ortho Weed-B-Gon, #03968, 32 oz	5.49	Fred Meyer	Oregon
Palmolive dish liquid, 48 oz	1.97	K mart	Ohio
Panasonic AM/FM radio, #RF-504	15.47	Rink's	Ohio
Pennzoil motor oil, 10W30, 1 qt	0.79	Gold Circle	Ohio
Pert Shampoo, 15 oz	1.68	Zayre	Mass.
Polaroid Time Zero Instant film	6.59	Heck's	W. Va.
Pond's Cream & Cocoa Bttr ltn, 12 oz	1.54	K mart	Ohio
Proctor Silex coffeemaker, #A301	16.70	Caldor	Mass.
Pyrex 8 pc Bakeware set	10.99	Woolco	Ohio
Quaker State motor oil, 10W30, 1 qt	0.97	Woolco	Ohio
Scholl Exercise Sandals	11.99	King's	Mass.
Scotts Grow Fertilizers, 2½ lb box	1.99	Richway	Atlanta
Shop Vac wet/dry vacuum, #600-01	37.88	Rink's	Ohio
Signal mouthwash, 18 oz	1.24	K mart	Ohio
Smith Corona elec typewriter, #6LEH	233.00	Caldor	New England
Spalding baseball glove	16.99	King's	New England
Sweet N Low, 500 ct	2.99	Bradlees	Boston
Toro 14" chain saw, #51140	58.99	Bradlees	New England
Unisonic Wallet Calculator, #LC270	8.99	Woolco	Ohio
Waring Automatic can opener, #CO1318	8.88	Caldor	Conn.
Water Pik Shower Massage	14.99	Venture	Chicago
Weed Eater Spin Trimmer, #307	16.88	Woolco	Ohio
Wham-O Frisbee, #141G	3.44	K mart	Rochester

DuPont is telling your customers why Wintuk,* Sayelle,* Ardina* and Civona* premium yarns are worth their price —and more!

On TV. On radio. In magazines directed to yarn users. In newspapers. Du Pont continues to create consumer demand for the famous yarn names that say top quality and value! So you can sell more.

Again, in 1981, full-color, full-page ads in McCall's Needlework and Crafts, Workbasket, Decorating and Craft Ideas, Better Homes and Gardens Needlecraft Ideas, Woman's Day Granny Squares, Woman's Day Needlecraft Ideas, Family Circle Fashions & Crafts, Woman's Day 101 Sweaters You Can Knit or Crochet, Crafts, and Crochet World. A selling lineup to help you sell more Wintuk,* Sayelle,* Ardina* and Civona* yarns of Orlon** acrylic! Promote these premium yarns for more sales!

Du Pont Craft Yarn Spokeswoman. Del Feldman talks woman to woman, explaining the special advantages of Wintuk,* Sayelle,* Ardina* and Civona* to your customers. In television and radio appearances. In feature news stories. In major markets across the country. Be sure your shelves are stocked with the yarns Del Feldman will be telling your customers to look for.

A Review of Cash Management Strategies

By Stephanie Shern
C.P.A. and Principal, Arthur Young & Co.

Cash management has gained considerable importance in today's business environment. In a time of high interest rates and tight money, it is a viable means of increasing income and decreasing costs. The retailer industry has been a leader in effective and efficient cash flow management.

Today, the retail cash manager faces several major challenges:

- A normally high volume of customer payments, with a relatively low dollar value per item.
- A high number of sales locations, scattered regionally across the nation.
- Varying cash inflows throughout the year, because of the cyclical nature of retailing.

Increasingly, retail cash managers have relied upon automated systems to provide timely identification and control of cash sources and flows. This can be done either inhouse or through external (bank-offered) sources.

There are appreciable benefits of streamlining cash flow. These include improved interest income and enhanced identification and control, both leading to lower borrowing requirements. For example, at a 20% annual interest rate, a $1 million improvement in float can achieve the following interest savings:

Days	Interest Savings
1	$ 548
3	$ 1,644
7	$ 3,836
20	$16,438

In this article, I'll provide an overview of the cash manager's three roles: Using banking systems, internal reporting (which includes accounting and cash forecasting), and meeting future challenges. Roles two and three will be discussed further in future articles.

Use Of Banking Systems

Various bank collection and disbursement systems have been developed over the years. These enable receipts and disbursements to move through the banking system, and include lock-box services, concentration banking networks, controlled and remote disbursing, wire services and automated clearing houses. The cash manager must tailor these systems to his or her needs and must be selective in using the various money services offered by banks.

In effect, the manager must run these systems by being active and aggressive in monitoring and controlling bank receipt and disbursement systems. Banks make mistakes, and early recognition of these errors should be an important part of a company's financial activity. The cash manager must also monitor the costs of banking services and measure their effectiveness.

Internal Reporting, Accounting and Forecasting of Cash

An equally important function of the cash manager is monitoring internal acceleration of receipts (billing cycles and internal processing), cash forecasting and accounting. This monitoring must be accurate, timely and coordinated for reporting to management. The following tasks should be undertaken in coordination with a company's accounting, store operations and treasury departments:

- Reconcilement of bank cash reporting and company ledgers on a continuous (perhaps daily) basis.
- Identification of each cash entry's origin and use for proper allocation.
- Integration of cash reporting, liquidity and debt from the company's various areas, so this information can be presented to top management.

Meeting Future Cash Management Challenges

Retail industry cash managers face a constantly changing and dynamic situation in the management of cash flows. The challenge is intensifying, because in the current- and near-term economic environment, cash managers will be called on to:

- Seek newer and cheaper sources of debt, e.g., banker's acceptances.
- Investigate and respond to changing regulations and methods of payment, i.e., the Bank Deregulation Act may ultimately increase the cost of banking.
- Evaluate the benefits of debit cards for payment.
- Streamline the processing and recording of credit card transactions.

Stephanie Shern, C.P.A., is a principal with Arthur Young & Company in New York. She is a former chairman of the New York State Society of Certified Accountants' retail accounting committee, for which she has conducted various seminars, and is a member of the board of the Metropolitan (New York) Retail Financial Executives Association. She is also a member of the National Mass Retailing Institute, the National Retail Merchants Association, and the American Institute of Certified Public Accountants.

Bradlees' Parent Boosts Payout

BOSTON—Stop & Shop Companies, parent of Bradlees, will pay a dividend of 33¢ a share on July 1, 1981, to stockholders of record May 29, 1981.

The new dividend represents an increase of 3¢ a share. Since July 1979 the quarterly dividend had been 30¢ per share.

Brandeis Names Zayre's Sherman

WALTHAM, Mass.—Malcolm L. Sherman, executive vice president of Zayre [illegible]ingham, Mass., has been [illegible]ected chairman of the Brandeis University Board of Fellows.

Selected for the post by the board of trustees of the university, from which his wife graduated and which his daughter now attends, Sherman will begin the two-year term in June.

Family Dollar Sales Gain 5.5% in 4th Qtr.

CHARLOTTE, N.C.—Family Dollar Stores' sales moved ahead 5.5% to $46 million and earnings advanced 7.8% to $2.6 million or 62¢ a share for the quarter ended Feb. 28, 1981, compared to the same quarter the year before.

Six-month sales for the chain totaled $89.3 million.

Toys for Tots Tops $1 million

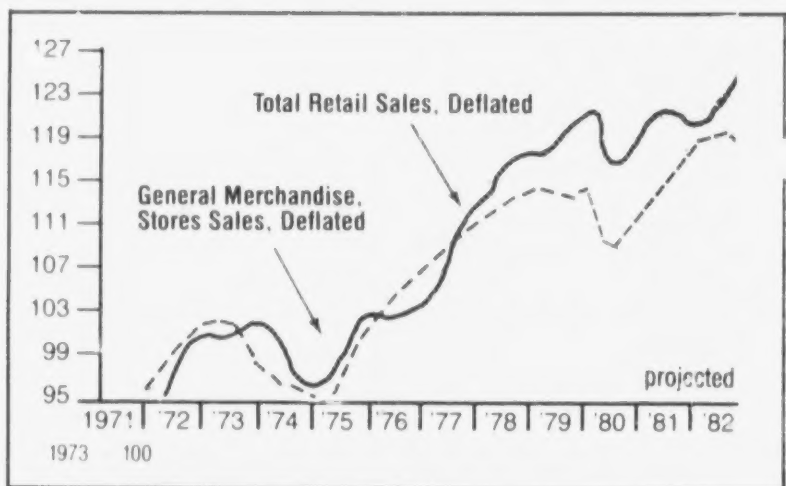
FRAMINGHAM, Mass.—Zayre and the U.S. Marine Corps again co-sponsored the Toys for Tots campaign to benefit underprivileged children at Christmas, and over $1 million worth of toys was collected.

Collection spots, set up in 243 Zayre stores, gathered more than 125,000 toys for needy children in orphanages, hospitals and family service organizations.

The toys collected were all new for the first time since the campaign started in 1947. Those that needed repair, which had also been accepted in the past, were not accepted this time.

L/F Econocycle

Peg GM/Discount Gains for July at 3%



General Merchandise/Discount

	Sales Change By Quarter								12-Month % Change		
	'80 1Q %	'80 2Q %	'80 3Q %	'80 4Q %	'81* 1Q %	'81* 2Q %	'81* 3Q %	'81* 4Q %	1979 %	1980 %	1981 %
Sales include Inflation	9.1	4.8	4.3	5.8	6.8	9.6	8.0	4.8	9	6	6
Real sales (Deflated)*	1.9	−2.4	−3.4	−2.0	0.5	3.7	2.4	−1.0	3	−2	1

Base = Feb 1980 Sales
*Projected

A new round of revised Government figures now indicates that overall retail sales this February rose slightly faster than originally reported—up 1.1% over recently upwardly adjusted 1980 volume figures.

Last year, the Census Bureau reports, total retail sales hit $956.7 billion, 7% higher than 1979. With inflation factored in (at a 10% rate), "real" sales were off 3% for the year-to-year just past, the Government study shows.

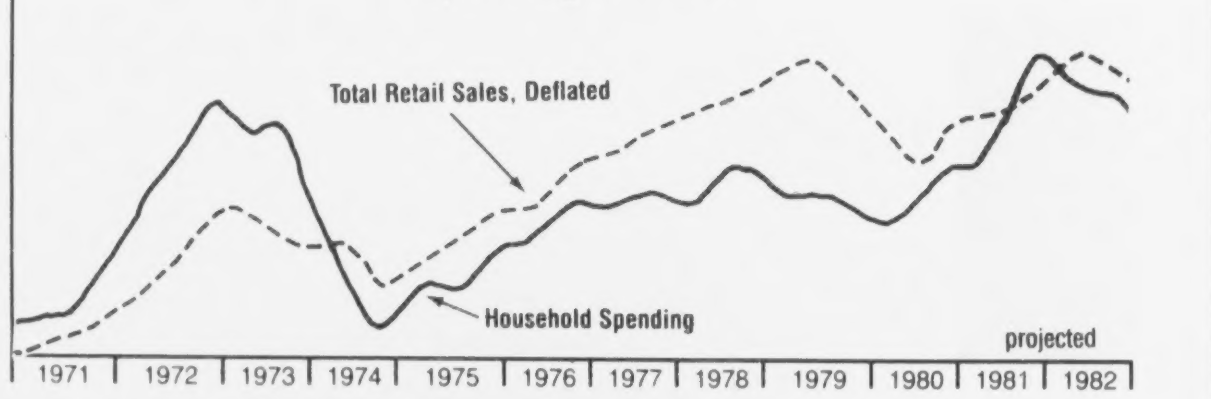
As a result of these new adjustments, the L/F Econocycle model forecasts a slight improvement for retail sales over the next three quarters (chart below). Instead of a 1.1% decline in first period sales, the composite now shows a marginal 0.3% gain. More important, the balance of the year is being propped up for an average gain of about 5%.

The L/F Econocycle projection forecasts 3%-plus gains over the next two months (July-August), building to a third-quarter gain in the 2%-plus range.

This jibes, generally, with the sales advances expected by many discount department store chains, where plans have been made to buy business with increased promotional activity—but to do so with as little damage to the gross margins as possible.

Fewer items on the pages of each circular is one approach to minimize the impact on gross margins. Heck's, for one example, recently got an increase of some 19% in sales from a promotion this year that featured less than one-third as many items, but with a bigger presentation of each item across two pages of ROP space rather than three.

Spending Indicator



Sales/Include Inflation % Change By Quarter

		Total Retail Stores	Food Stores	Eating & Drinking	Building Materials Hardware Stores	Drug Stores	Furniture & Appliance Stores	Apparel Stores	General Merchandise Stores	GAF Stores
1980	1Q	9.4	11.0	10.2	7.2	11.9	10.5	3.3	9.1	8.1
	2Q	5.0	10.3	9.3	−8.4	11.2	2.5	4.6	4.8	4.3
	3Q	5.9	11.2	8.3	−9.4	10.3	1.0	4.3	4.3	3.5
	4Q	7.3	10.6	7.2	−1.5	14.1	5.1	6.4	5.8	5.8
1981	1Q*	9.3	10.1	11.5	6.8	12.0	10.0	8.9	6.8	8.0
	2Q*	12.7	9.5	13.2	18.0	11.8	15.0	10.1	9.6	10.9
	3Q*	10.5	7.9	14.9	10.2	11.9	12.1	11.2	8.0	9.6
	4Q*	10.1	7.8	12.7	0.2	8.6	11.0	11.2	4.8	7.5
% change 12 mos.	1979	11.0	12.0	12.0	12.0	11.0	14.0	6.0	9.0	10.0
	1980	7.0	10.0	8.0	−3.0	12.0	4.0	4.0	6.0	5.0
	1981*	10.0	8.0	13.0	8.0	11.0	11.0	10.0	6.0	9.0

Real Sales (Deflated)* % Change By Quarter

		Total Retail Stores	Food Stores	Eating & Drinking	Building Materials Hardware Stores	Drug Stores	Furniture & Appliance Stores	Apparel Stores	General Merchandise Stores	GAF Stores
1980	1Q	−1.2	5.8	−0.0	−2.5	3.8	4.9	−1.4	1.9	1.8
	2Q	−5.0	4.9	−0.1	−17.4	2.0	−3.4	0.5	−2.4	−2.0
	3Q	−4.2	2.0	−0.9	−18.5	0.5	−5.8	−0.2	−3.4	−3.3
	4Q	−2.8	−0.6	−1.8	−10.6	3.9	−1.1	1.5	−2.0	−1.1
1981	1Q*	0.3	−1.7	2.3	−1.1	2.6	4.5	5.6	0.5	2.4
	2Q*	5.1	−2.7	4.2	11.8	4.3	9.7	6.2	3.7	5.5
	3Q*	4.6	−0.4	6.0	4.2	6.1	6.6	7.5	2.4	4.4
	4Q*	5.5	2.7	4.6	−6.0	4.3	4.3	8.1	−1.0	2.1
% change 12 mos.	1979	1.0	2.0	2.0	4.0	3.0	8.0	6.0	3.0	4.0
	1980	−3.0	3.0	1.0	−12.0	2.0	−2.0	1.0	−2.0	−1.0
	1981*	4.0	−1.0	4.0	2.0	4.0	6.0	4.0	1.0	3.0

Base = Feb 1981 Sales
*Projected

About Econocycle

The source for the L/F Econocycle index is the Econostat Applied Economic Research Unit of The Hague, Holland. This unit consults for Government and major corporations on three continents. Its projection techniques are based on the Econocycle System, a computerized system designed by the Econostat team of economists.

Because of the changing pace of inflation in the United States, retail sales figures in the L/F Econocycle projections have been adjusted to take account of inflation. All statistics are shown in *real* terms. The charts (above, facing) represent the trend cycle. The data has been seasonally adjusted and smoothed—and is updated each month. Source for current sales and the deflator series is the U.S. Dept. of Commerce.

Where an *Index Base* is indicated, all data is converted to index numbers, starting from a common base (= 100) in order to establish meaningful performance comparisons.

6/10/81 C 5150-3

NMRI Convention Wrap-up: Pp. 2, 3, 25-27

Consumer Electronics Show Section: Pp. 7-11

Discount Store News®

THE NEWSPAPER OF THE DISCOUNT DEPARTMENT STORE INDUSTRY

VOL. 20, NO. 11 Published Biweekly, Every Other Monday, Monthly in December, by Lebhar-Friedman Inc. $2 a copy JUNE 1, 1981

Want a Billion-Dollar Southeastern Discount Chain?

By Doug Stinson

> FOR SALE: Discount department store chain in the sunny Southeast. Annual volume more than $700 million from 200 stores, mostly in small-town markets. Needs work, but is basically sound. Also available, a 90-store chain in excellent condition, immediate profits from sales of $330 million in complementary markets. Total cost, $250 million. Terms, high cash.

The ad above is imaginary. But the opportunity is real, and waiting for someone with the right combination of cash and courage to make the move.

Let's start with the obvious. Kuhn's Big K—more than 100 stores in Alabama, Arkansas, Georgia, Kentucky, Mississippi, Missouri, South Carolina and Tennessee. More than 5 million sq. ft. of space, a big, centrally located distribution center/warehouse, and annual sales recently in the $300 million range. While the Big K stores have slumped recently, and many of the leases are less than favorable (with continuous operation clauses and no cap on the percentage rent), they do sit in some attractive locations. There is a store and headquarters staff, and an ongoing operation included in the relatively low purchase price. (One retailer's real estate executive put the price for Big K, including obligations that would be picked up by the new owner, in the $35 million range.)

Add to the Big K portion of our new super-chain the still-for-sale Heck's stores—just under 100 stores in nine states, with volume in excess of $300 million, and unlike Big K, highly profitable. This chain has been for sale for some time now, because of the steep ($150 million) purchase price and because cash is the preferred payment. But, like Big K, there is a full staff and an ongoing operation that fits well with the other stores available in the Southeast.

Now we have a chain of almost 200 stores, with sales in excess of $600 million. Add to these available sites in Virginia (some previously closed Murphy's Marts), and Memphis and Atlanta (The Treasury sites) and we can add another 10 stores—and a lot of retail space—to our proposed chain. Give those 10 big stores a conservative $5 million each in sales when reopened, and we add another $50 million to reach a total of almost $700 million in sales.

Now for the gray areas. While all chains are close-mouthed about their plans to close and sell off stores in any market, it is generally thought by many retailers that selected stores in the Cook United (Clark's), Zayre, King's and RDR chains are available in the

(Continued on page 30)

Cook United, Zayre Would Sell Some

Cook United's and Zayre's southeastern stores are among those the two discounters have admitted are for sale.

Following a store expansion program that seeks market saturation in current markets, Cook has let it be known that its "outpost" stores in single-store markets are on the block, according to president George Jeffers.

In an ongoing effort to streamline its operations, Zayre maintains a "for sale" list of 20 underproducing stores scattered across the chain's 22-state operating base.

27 Big K Discount Stores Reportedly on the Block

NASHVILLE—A list of available Big K and Kuhn's variety stores has been made available to interested chains—Roses and T.G. & Y. among others—as chairman Jack Kuhn continues his efforts to consolidate the chain.

Kuhn would not confirm or deny the existence of a list, but DSN has obtained a copy of one such list of 27 Big K stores and three variety stores that have been put on the block by Big K.

The list catalogs Big K sites in Scottsbourn, Tuscaloosa, Troy and Ozark, Ala.; West Helena, Ark.; Savannah and Brunswick, Ga.; Bowling Green, Ky.; Poplar Bluff, Mo.; Jackson and Paris, Tenn., and 16 sites in South Carolina: Waterboro, Orangeburg, Lake City, Florence, Myrtle Beach, Aiken, Cheraw, Greenville, Camden, Union, Summerville, Georgetown, Dillon, Anderson, Gaffney and Newberry.

The variety stores on the list are located in Sumter, S.C.; Hartselle, Ala., and Sweetwater, Tenn.

Retailers who had looked at the Big K sites offered were being very selective—in one case, actively considering only two of the seven already seen, and disregarding the South Carolina stores. The problem, as it was in the busted Wal-Mart acquisition, is the leases held by Big K. Continuous-operation clauses and the lack of a ceiling on the percentage part of the deal outweigh generally

(Continued on page 30)

Instead of high-tech tones, Zayre, Hialeah, Fla., uses plaid-upholstered flip chairs to romance consumers. The hard-to-merchandise items are stacked on flat for aisle-side promo. *(DSN photo)*

CE Merchandising at K mart May Be Due For Big Changes

TROY, Mich.—K mart may be poised to make major changes in its consumer electronics merchandising, including adding two TV games and one TV disc player to its mix, with some items appearing as early as this July.

K mart and industry sources report that the discounter will sell Atari computer games in about six markets this summer and that Mattel's Intelevision is scheduled to be added to the mix later this year.

RCA's VidioDisc player is available as a special order in some stores and is due to be added to the mix later this year in selected higher-volume markets.

The CE department will be used to merchandise these items, a K mart source explained, because it has salesclerks who can sell higher-priced products.

K mart tested Atari in one undisclosed market last fall. Its merchandising this year includes a special glass-encased displayer designed by the manufacturer.

K mart's move into TV games and disc players is being directed by Fred Shimp, head buyer for the CE department. It's part of the discounter's move to upgrade the entire black and white goods assortment, including a greater focus on standard model, name-brand white goods, rather than the derivative models featured in the past.

One K mart source explained that the emphasis on name brands reflected consumer dissatisfaction with the chain's derivative program. Shoppers knew that K mart was selling special models of the name brands and wanted to know why it didn't carry the same models found in other stores, the source explained.

He added that the top executives decided that offering standard models was the best way to get volume sales and maintain the chain's image of discounting national brands.

Flip Chairs Flesh Out Lifestyle Furniture Sections

By Laura L. Mulcahy

A sturdy piece of segmented foam, covered with brightly colored nylon, is luring more and more discounters deeper into a merchandise classification most would have feared as late as a year ago: lifestyle furniture.

With wicker and high-tech plastic housewares paving the way, the newly popular flip chairs—so called by buyers because of the way in which they convert from chairs to single beds—are giving a growing number of chains an opportunity to flesh out lifestyle departments with a trendy item that carries an $89 to $100 price.

Consumer response to upgraded wicker and KD (knock-down) furniture assortments has been strong enough this year to persuade buyers that the fashionable dual-purpose chair is worth stocking despite the handling problems connected with the bulky 4-ft. x 4-ft. x 3-ft. pieces—and the price.

(Manufacturers are also responding: At presstime nearly a half-dozen vendors were supplying chains with the item.)

Chains already in-stock on

(Continued on page 31)

Miller Is Following Pistner to Ward

MINNEAPOLIS—Charles J. Miller is following his former boss Stephen L. Pistner from Dayton Hudson to Montgomery Ward.

Miller, senior vice president for advertising and sales promotion for Target stores for seven years, at presstime was due to take over the newly created Ward post of executive vice president, marketing.

Miller is the fourth Dayton Hudson executive to head for the Windy City: Ron Beyma, Pistner's assistant at Dayton Hudson, and L. Edward Lewis, Target's senior vice president, personnel, have already made the move to Ward.

Productivity, Payroll Ploys Portrayed at NMRI Parley

Cook Builds Gross Margin Return on Investment

BAL HARBOUR, Fla.—Three chain executives—Stephen Goldberger, president, Hills; George Jeffers, president, Cook United, and Harold Smith, general merchandise manager, Magic Mart—outlined their chains' strategies to maximize gross profit dollars at the National Mass Retailing Institute convention's Session No. 3.

Jeffers impressed the large audience with his analysis and applications of the gross margin return on investment (GMROI) formula which Cook uses as a major decision-making tool.

GMROI, said Jeffers, brings unity to each level of the managerial hierarchy since all concerned work under one philosophy, and toward one goal. The formula also eliminates the need for piecemeal solutions, which have been harmful in the past, and instead encourages a comprehensive analysis of problems.

Cook looks for a GMROI of $1.47 (or 147%) for most of its departments—meaning that for every $1 of investment, the department should return $1.47 of profit. Soft lines, because of the added expenses incurred, especially travel-related costs, should have a GMROI of over $2.

Jeffers believes that gross margins are largely dictated by the competitive arena, and that GMROI analysis encourages focusing efforts on improving turnover of inventory by cost.

Basic housewares, for instance, became a candidate for further expansion when it was found to have a GMROI of $2.73. Candy, a "sleeper" category for Cook, brought in a GMROI of $2.19, and will have its scope and space expanded. "We don't want to hold the department back anymore," Jeffers explained.

Dating was extended to improve turns in automotive which churns out a GMROI of $1.55—a ranking that teeters on the line between being productive and nonproductive. Cook decided to give its tobacco department more attention, hoping to improve its GMROI of $1.37. Jeffers pointed out that with a little work, turns could be pushed up to 22-24 times a year.

H&BA GMROI of 92¢ was a disappointment, and was linked to misguided decision-making in the past. Three years ago, Jeffers said, the H&BA buyer was told to raise the department's margins, but in doing so, inventory turnover was damaged. Back then, the H&BA's GMROI was $1.50, and since became a victim of tunnel vision and piecemeal decision-making.

Cook is working toward a GMROI of $3 to $4 in its apparel departments to cover the higher expenses incurred.

New Attempts

Goldberger spoke first on Hills' methods of pumping more profitability into the merchandise mix, primarily apparel, and how to get more mileage out of sales.

Apparel represents Hills' strongest profit benefactor, taking up 60% of store selling space, and contributing that percentage to total volume. The category's 33% markup is maintained, since there are rarely markdowns (except on shopworn merchandise), and it gets an extra boost from a planogram program that spurs turnover of basic soft goods on feature tables and endcaps.

Basic soft lines such as white underwear, men's pocket T-shirts, socks, basic bras and panties have been on automatic replenishment since 1971, processed by size and color based on sales captured at point of sale. The program is "like money in the bank from a gross profit standpoint," Goldberger said.

The upgrading of soft goods has also aided the profit dollar cause. Programmed in-stock positions in lines such as Wrangler, Lee, Garan, Playtex and Fruit of the Loom have at least doubled the rate of sale of various merchandise categories when compared with their unbranded counterparts, Goldberger affirmed.

Hills' coordinated private label and controlled label programs give a lift to profit dollars in hard lines areas—first to offer a nonbrand counterpart to top-selling national brands, especially in H&BA and household chemicals, as well as in stationery and trim-a-tree ornaments, where brand recognition is not a major factor.

The following high-markup departments have been expanded and upgraded:

- Jewelry—Hills has moved into higher-priced, better-quality costume jewelry as well as into larger 14-karat gold and sterling silver items.
- Greeting cards and wrap—expanded from 48 lineal feet to 81 over the last 1½ years.
- Party supplies—Stretched from 16 lineal feet to 44
- Children's Books—Yielding markups in excess of 35% with few markdowns, the classification has been expanded from 20 lineal feet to 32.
- H&BA—Benefited from an active search for high-markup and step-up items. The chain tripled space and selection of vitamins, added step-up lines of cosmetics accessories, and added an 8-ft. section of skin treatments, which carry markups over 30% at discount prices.
- Housewares and home furnishings—Grew to include 26 ft. of wicker and high-fashion categories such as wire closet organizers, high-tech kitchen and tableware and unusual casual furniture.

Hills continues its commitment to massive displays of mix and match merchandise in all soft lines—bringing vendors to-

(Continued on page 26)

Formula: GMROI = Gross Margin % × Turnover at Cost

Category	GMROI	Gross Margin %	Turnover at Cost
Housewares (basic)	2.23	31.99	7.08
Candy	2.19	25.65	8.37
Automotive	1.55	30.49	5.05
Electrical	2.01	40.72	4.87
Tobacco	1.37	7.90	17.66
Yarns & Crafts	1.17	33.74	3.41
H&BA	0.92	15.73	5.80
Records	0.66	21.55	2.98
Cameras (excl. supplies)	0.08	5.34	1.26
Ladies' X-Sizes Sportswear	2.22	36.62	6.01
Ladies' Blouses	1.83	27.79	6.55
Men's Shirts	1.55	28.05	5.32

The Gross Margin Return on Investment formula was used by Cook United president George Jeffers in his presentation at NMRI Convention Session No. 3, "Maximizing Gross Profit Dollars." The GMROI equals gross margin percentage (gross margin dollars divided by sales dollars) times inventory turnover at cost (sales dollars divided by average inventory at cost).

Target Test: Specialty Teams Replace Dept. Mgrs.

BAL HARBOUR, Fla.—An experimental staffing program currently being tested in one Target store, if successful, could free the Minneapolis chain from the department manager system by which it—and the industry—has traditionally controlled its stores.

The year-old test was detailed at a recent NMRI convention seminar by O. C. Adams, chain vice president, operations.

The test, which replaces the chain's 13 department managers with approximately a half dozen specialty teams, each responsible for a single, storewide operation, is the latest in a series of experiments the chain has undertaken to improve store efficiency and reduce operating /payroll costs.

"We must curtail costs," Adams said, "and payroll expense is always one of the first things cited. Yet, if we keep reducing payroll, the maintenance of the stores will deteriorate."

The chain hopes that the system it is testing, which sets one "specialty team" to work on such operations as pricing, stocking, maintaining specialty departments (consumer electronics and jewelry), soft lines, hard lines and fashion, will be effective because the team members will not be "distracted" by the other problems that arise in a given department.

For example, Adams said, those store people assigned to making price changes will not be distracted by the problem of relaying counters. "They also will not be inclined to adjust prices to compensate for shortages in the department, so our overall productivity will improve."

Adams added; "The idea of stocking teams is not new; we use them every Christmas. We think it might be possible to use them effectively year-round."

The decision to replace department managers with specialty teams grew out of the extensive time studies the chain undertook to break down every store operation to better understand how its stores operated: "We now know how our business comes in by the hour, and week and by cash and check," Adams said. Using the front-end time studies as an example, Adams said cashier productivity can now be put at $450 to $700 worth of ring-ups an hour. To achieve these figures Target managers trained cashiers to ring up purchases without looking at the keys, and to handle the goods only once. "After they ring up an item they put it right into a bag," Adams explained. In addition, each cashier was supplied with a printout listing every item in the store to eliminate time-consuming price checks.

The same time studies were done throughout the store, and similar systems were created to improve productivity.

T.G. & Y. Ups Fleet's M.P.G.; Roses Saves Energy

BAL HARBOUR, Fla.—Phil Carr, vice president, traffic, at T.G. & Y., lifted his fleet mileage from 4.65 m.p.g. in 1975 to 5.85 m.p.g. last year, and saved 4,654,000 gallons of gasoline—more than $5 million at current prices.

His goal is 7.75 m.p.g., which will save $500,000 a year for T.G. & Y., a half-million dollars that will fall right to the bottom line.

He revealed this at Session No. 10, "Energy Conservation," at the NMRI convention.

Tom Banks, vice president, expansion, at Roses Stores, another speaker at the session, said he cut electric usage by 30% or 40% in many of his stores, and substantially lower in some of the newest stores with a combination of close supervision of energy demand and installation of energy conservation devices.

Carr's program, too, combined supervision of the drivers with new equipment to achieve his savings. A driver training program, for example, helped one skeptical driver boost his personal mileage by 0.4 m.p.g.; and stretching the T.G. & Y. trailers to 45 ft. (12.6% more cube space, cost $2,900, payback in six months, little effect on mileage) also contributed.

Other steps taken by T.G. & Y. included adopting tractor regulations requiring that repair shops be located within five miles of the chain's distribution centers, saving as much as 100,000 miles a year for the chain. A software package for a computer-controlled dispatch system (which has been tested in only one warehouse) is projected to save the chain as much as a million miles a year and reduce deadheading.

At Roses, a 15% electric-use reduction in that chain's all-electric (for the most part) stores was accomplished by making opening and closing procedures part of the store operations manual. When that reduction did not continue in the second year, energy-conserving lights were installed, but Roses was unhappy with the reduced candlepower on the selling floor. An alternative program that kept the original lights but removed two of the six lamps in each fixture (and changed the ballasts, too) got the chain another reduction to a total of 30% lower than two years earlier. The program requires only two employees who change the lamps regularly to achieve a total turnover every three years.

Other steps at Roses include automatic energy conservation devices that cut out heating and air-conditioning between 68 and 76°F; nighttime cutbacks of the HVAC systems; reduced outside wall exposure; orientation of new stores (when practicable and consistent with good planning) to maximize solar benefits and more insulation in the roofs and walls. The new stores, which include all these measures, have achieved electricity usage rates 30%-40% lower than the average of the old stores, where 30% reductions had already been obtained.

More important than the store and its equipment, said Banks, is the store manager. Some store managers get good energy efficiency wherever they manage, and others are consistently producing higher bills, he added.

In This Issue...

RAPPING IT UP. The panel sessions and sporting and social events at the NMRI convention were notable for their scope and diversity. (Pp. 2, 3, 25-27)

SOUNDBOARD. Consumer electronics buyers see lower price points as appropriate to the rough economy, for new as well as old products. (Pp. 7-11)

Departments

ADSCAN 13
At the Source 22
Catalog Showroom News .. 21
Classified 28-30
Editorial 4
Product Movement Audit
Hardware 14
Washington Beat 4

DISCOUNT STORE NEWS
(ISSN 0012-3587), is published biweekly—every other Monday, monthly in December—by Lebhar-Friedman Inc., 425 Park Ave., New York, N.Y. 10022. Subscription rates: *Retailers and wholesalers*—one year, $7.50; two years, $14. Canada: one year, $8.50; two years, $16. *Manufacturers, schools, libraries and all others*—one year, $14, Canada: one year, $15. *Foreign subscriptions:* Airmail only, $100 per year. Single copy rate, $2, except annual census issue, $25.

Controlled circulation postage paid at New York, N.Y., and additional mailing offices.

Copyright© 1981 by Lebhar-Friedman Inc. All rights reserved.

Postmaster: please send form 3579 to Fulfillment Manager, *Discount Store News*, 99 Park Ave., New York, N.Y. 10016. For change of address six weeks notice to Subscription Dept., 99 Park Ave., New York, N.Y. 10016, is requested. Give old and new address and zip code. If possible, enclose address portion from cover of previous issue.

Vol. 20, No. 11 June 1, 1981

Discounters, ever looking for prestige fragrances, have short-term options to boost productivity. Many take present mixes out of locked cases for self-service displays, as in Wal-Mart, Rogers, Ark.
(DSN photo)

Fragrance Sections Go Upscale; Buyers Seek Better Lines Direct

Nationwide DSN Report

Fragrance buyers, who continue to knock on the doors of prestige houses, report there is more than one formula to upscale their departments until better lines become available direct.

These formulas include upgraded fixturing, broadened assortments to emphasize image, self-service, and even repositioned cosmetics/fragrance departments.

Woolco, for example, is testing moving the department next to apparel, instead of H&BA. T.G. & Y. is considering a similar move in the future, while chains that have upgraded to now-typical chrome tower fixtures are bringing the goods out of locked cases.

Buyers are accommodating a changing market. Not only are prestige lines in demand, but consumers also want more scents and more dilutions (soaps and body lotions, for example) of those scents.

With new products from major houses timed for late summer introductions (Mother's Day becomes less a factor each year as women develop wardrobes of scents they buy for themselves), buyers expect 81's flat to slightly increased sales to improve by Christmas.

Holiday open-to-buy dollars are similar to last year's, with higher-priced items (Revlon is pushing its third price increase this year) dropped and ancillary sku's, like bath and skin products, added.

One buyer explained why: An 8-oz. bottle of Wind Song body lotion sells for $4.50, while a similar-size spray would be prohibitively priced, because it is less diluted.

Added Gee Bee's buyer Shirley Dean: "People are learning to layer their fragrances, that just wearing a cologne may not be the best way to maintain a scent. People are becoming more knowledgeable, and that builds sales."

Woolco is about to jump into ancillary fragrance lines, which are expected to build sales while the chain tests its new self-service department in nine

(Continued on page 5)

NMRI/Du Pont Consumer Study

Coupons and Value/Quality Image Gain In Importance as Shopper Habits Change

BAL HARBOUR, Fla.—Seventy-six per cent of all shoppers interviewed said that rising prices have caused them to change their shopping habits for nonfood products, according to the just-released NMRI/Du Pont consumer shopping habits study.

Entitled "The Impact of Inflation and Energy Conservation on Consumer Shopping Habits and A General Merchandise Shopping Update," the study illuminated several areas of opportunity and improvement for discounters in the 1980's. Coupon use, a value/quality image, and advertising are all areas in which the study suggests opportunities for discounters.

Focusing on the effects of the sluggish economy and rising gas prices on shopping habits, as compared to the findings of similar studies conducted by Du Pont in 1972 and 1973, the report measured consumer response to advertising, comparison shopping and coupon usage, and offered a relative competitive ranking from consumers.

Of the 76% who said that rising prices had caused them to change their shopping habits for nonfood products, 51% responded that they were buying less or shopping less often. The effect of gas prices on habits was illustrated by the large leap over the last six years in the number of consumers who said that this factor had them adjusting their shopping patterns—from 39% of the respondents in 1973 to 58% in this year's study. Sixty-one per cent said they were either making fewer shopping trips or shopping less often since gas prices forced them to conserve.

Many people said they were doing comparison shopping today more than ever before for specific items. The number of respondents doing comparison shopping jumped from 77% in the 1973 study to 89% in this year's study. Thirty-five per cent said they comparison shopped for quality when purchasing apparel and accessories, and 33% said they shopped for price for these same items.

The study also showed that coupon usage was on the rise. Fifty-eight per cent of the consumers interviewed said they were using coupons that appeared in a store's print advertising for general merchandise items, whereas in 1973 only 44% reported using such coupons. Fifty-four per cent of the coupon users liked the concept; 24% didn't but use them anyway. Almost half (48%) of those who didn't like coupons said they were too much trouble. This factor opens up areas of opportunity for discounters in future promotions, indicating a potential for improving volume if coupon use could be made more convenient for shoppers.

Most importantly, and certainly no surprise to discount-

(Continued on page 30)

Prices Up; 32% of Shoppers Buy Less

QUESTION: What changes has the continuing problem of rising prices caused in your shopping habits?

Changes	Total	NE	MW	FW	SE
Buy less	32%	33%	38%	33%	23%
Shop less	19	16	21	21	16
Buy sales items	19	20	26	14	18
Buy essential only	13	21	13	13	9
More comparison shopping	11	11	14	14	11
Buy lower-priced brands	7	8	7	7	5
Switch to discount stores	4	1	2	2	12
Use more coupons	3	2	3	3	8
Go without	3	5	5	5	1
More quality conscious	3	4	3	3	3
Buy fewer clothes	3	7	3	3	—

NE—Northeast; MW—Midwest; FW—Far West; SE—Southeast. Responses total more than 100% due to multiple answers.
Source: DuPont study.

Thirty-two per cent of the 1,300 customers polled in this year's NMRI/DuPont study—conducted in key shopping malls in four geographical areas—said they were buying less due to rising prices.

Cataloger vs. Discounter

Bell to Invade Chi Area, Open Next to 2 Ventures

WASHINGTON—W. Bell, faced with growing cataloger competition in its home market here, will jump halfway across the country this fall and open its first two showrooms in the Greater Chicago Area, next to Venture discount stores.

The showrooms will open in Oak Brook and Schaumburg, Ill., in spaces originally slated for supermarket occupancies: In Oak Brook the supermarket never moved in, and in Schaumburg, a 25,000-sq.-ft. box store being tested by the Jewel supermarket chain folded after a year of operation. Bell is adding 10,000 sq. ft. to the Schaumburg store.

Venture sources said that Bell isn't viewed as competition for the discounter because the cataloger focuses on jewelry, and its nonjewelry mix features mainly higher-end lines such as Pioneer, Akai, Hasselblad and Reed & Barton which the discounter doesn't merchandise.

A Bell executive acknowledged that the cataloger was expanding to Chicago because its seven showrooms in the Greater Washington Area left few locations for additional growth there, while Best Products with five showrooms, Evans with four and Basco with two have heated up the cataloger competition.

Bell, with the most showrooms in Washington, goes against the other three catalogers in Rockville, Md.; faces Best in Falls Church and Arlington, Va., Evans in Arlington, and Basco in Tysons Corner, Va.

The Bell executive said Chicago was selected because the demographics look good for the cataloger. The showrooms are going into higher-income sub-

(Continued on page 30)

Zayre Tests 7-Version Prototype For Bath Dept.

FRAMINGHAM, Mass.—"Bed and Bath" signs are being replaced with ceramic-tile-look "Bath Shop" signs as Zayre tests a new prototype bath department with expanded mix and upgraded presentation in existing space in 17 Boston-area stores.

The move is part of a plan to make one more department "synergize" with others recently renovated (housewares, furniture, home and office, books and domestics departments), Malcolm L. Sherman, executive vice president and general merchandise manager, said.

The move is also bound to increase productivity by contouring a larger, upgraded mix to current dimensions.

There are seven versions of the prototype, which Sherman said represents a significant deviation from the rest of the industry. "We can't do it just one way because it takes so long to break the code," he said.

"Bed and bath is a category we expect to do more business in, and we believe this is the way to do it."

No target roll-out date has been set yet, because the test may continue for two months, as it did in the book department, or up to a year as in housewares, Sherman said.

The four-day renovation was completed at presstime at the Cambridge store, where employees said consumers had already noticed the difference.

"It is much more attractive," said one employee. "It strikes you when you walk down the aisle."

The new department, promoted with bag stuffers at checkouts and signs at store entrances, includes new fixtures and modified old ones that create the new look.

The far wall of the new shop is lined with cube merchandisers, stretching up to about 10 ft., which display towels by color. On top, a cardboard form is wrapped in a towel to create a highly visible, coordinated display guide.

Another fixturing change is a modified hanging shower curtain display. Once easily rum-

(Continued on page 31)

Unishops to Shut All 11 Clarkins; Sale of Six Stores in the Works

JERSEY CITY—Unishops, operator of 11 Clarkins stores in Ohio and leased soft goods departments in more than 140 stores, is abandoning discounting.

Unishops chairman Herbert Wexler told DSN that a letter of intent for sale of six stores has been signed, and talks are under way for sale of the remaining units. He refused to name the potential purchaser of the six stores, other than to say "a major retailer."

Irving Wiggs, acting as authorized representative for Unishops, is in charge of the Clarkins closeout but was unavailable for comment at presstime.

Store managers at Akron-based Clarkins have already been informed of the shutdown and are holding closeout sales. Tentative plans call for total closing of the stores between June 15 and July 1, according to one store manager.

Leased departments operated by Unishops include men's and boys' wear, shoes and domestics. Wexler said the men's and boys' wear department business was split and sold to Masters and Belscot. Perry Shoe, operator of leased shoe departments, was sold to its original owner, Mary Samowitz.

Unishops has had a turbulent financial history, including a Chapter XI filing in 1975. Out of Chapter XI since January of last year, the company unveiled a new Clarkins prototype last winter and had ambitious overhaul plans for Clarkins whose sales last year DSN estimated were $71 million. Now Unishops plans to reduce its long-term debt with proceeds from the sale of Clarkins leases, fixtures and inventory.

Sales at Unishops were $201.2 million for the year ended Jan. 31, 1981. Net income from continuing operations was $6.2 million. Loss from discontinued operations amounted to $3.9 million.

Profits at Unishops have come increasingly from Marlene Industries, a manufacturer of women's clothing and infants' sleepwear; its Paul Marshall Products importing division, and its Youth Center specialty stores. Unishops will redirect its resources into those divisions, as well as into its Central Textile division, which operates the leased domestics departments.

The DISCOUNT MART

MISCELLANEOUS

REAL BUYS
AVAILABLE NOW

1400 Fine Display Tables, 500 Showcases,
3000 Sections Shelving Hundreds of Garment Racks,
Lockers, Marking Machines, etc.,

Let Us Bid On Your Office,
Warehouse & Store Equipment.

WAREHOUSE OF FIXTURES
3720 Laclede — St. Louis, MO 63108
314/534-3250

Address Box Replies To:
Box #,
Discount Store News
425 Park Ave., NYC 10022
Att: Classified Dept.

NEW & USED
Showcases • Garment Racks
Dump Tables
BOUGHT & SOLD
• We Buy Entire Stores •
RITE STORE FIXTURE CO.
(201) 591-9300

REPRESENTATIVES WANTED

SALES REPS
Midwest, Southeast, Southwest & California. Aggressive pros with strong contacts in budget, discount & variety chains. We have highly competitive brassiere & panty line. Non conflicting lines acceptable. Reply

Box 4232
Discount Store News

THIS SPELLS REAL MONEY
For aggressive reps — when you work it properly. Established aggressive sales reps for all retailers **of thousands of top name brand products.** Promotional everyday & holiday items. We are expanding our sales force — some United States territory with existing business open.

ALL AT LOWEST PRICES IN U.S.

Contact: Ernest Johnson or David Gold.

Modern Sales &
Marketing Co., Int'l.
845 N. Michigan Ave.
Chicago, IL 60611
(312) 642-3058
(You may call collect)

SALES REPS
Setting up reps who have health and beauty aid lines with chain and independents. NEW FOOT MASSAGER, retails under $10.00. Most areas open. call or write,
D. M. Systems, Inc.
Box 37326, Cincinnati, Ohio 45222
(513) 761-1881

SEND IN YOUR CLASSIFIED AD TODAY!

Category:

☐ Help Wanted
☐ Representatives Wanted
☐ Lines Wanted
☐ Positions Wanted
☐ Leases & Locations
☐ For Sale
☐ Business Opportunities
☐ Services
☐ Executive Search
☐ Businesses Wanted
☐ Leased Departments
☐ Miscellaneous

Size ________ **Number of Times** ________ **Box #** ☐ **Yes** ☐ **No**
Name/Title ________
Firm ________
Address ________
City/State ________ **Zip** ________
Signature ________
Tel. No. ________

1981 Classified Advertising Rates

1 Time **$54.00**
2 Times **$52.00**
4 Times **$48.00**
***12 Times** **$42.00**
***24 Times** **$39.00**

Full Page Discount 10%

Copy and size must be the same for each insertion 1 to 4 times. ALL RATES ARE PER INCH PER INSERTION. MULTIPLE INSERTION RATES APPLY TO CONSECUTIVE RUNS ONLY. Box Number Service Charge $5.00 PER INSERTION.

*Copy and size of ad may be changed for 12 & 24 time orders on signed contract.

Publisher reserves the right to change rates upon 90 days notice.

Check enclosed for $ ________
Charge to: ☐ **Master Charge** ☐ **Visa**
☐ **Diners Club** ☐ **American Express**
Effective Date ________ **Expiration Date** ________
Interbank Number ________
Account Number
☐☐☐☐☐☐☐☐☐☐☐☐☐☐
Authorized Signature ________

DISCOUNT STORE NEWS, CLASSIFIED DEPT.
425 PARK AVE., NY, NY 10022
DSN 6/1/81

'Chain For Sale'

(Continued from page 1)

Southeast.

The heavily stored small-town markets of North Carolina, South Carolina and Virginia (and several other states) have clusters of Clark's, Zayre, King's and RDR stores that can be cherry-picked to fill voids left by the Big K—Heck's combination. If 20-each of the Clark's, King's and Zayre stores were selected, adding 60 stores to our new chain, and a few RDR sites were added to the total, we now have almost 300 stores, with sales topping $1 billion, and a new candidate for discounting's rapidly growing billion-dollar club.

The total price tag on this deal would approach $250 million, with much of that in cash. With prime rates again around the 20% mark, the cost would be burdensome, but not impossible. The payoff, after all, is an immediate billion-dollar presence in the eastern Sunbelt, an area still growing rapidly. In comparison to the hundreds of millions invested in Montgomery Ward and Jefferson/Ward by parent Mobil Oil, the deal on our Southeast chain seems reasonable.

"Heck," said one Southeastern retailer, "that's less than a single office building in New York," speaking of the $250 million price tag.

The deal would be extremely complex, and depend on a great many unforeseeable variables (which fill-in stores would be available, for example). There are towns with populations of 20,000-25,000, and trading areas of 50,000, where four chains are fighting head-to-head for the biggest share of a small market.

Since the states involved are generally over-stored (one retailer said North Carolina has the most retail square footage per capita in the East), sales per square foot are generally low; and in an area of growing demand for higher productivity per square foot, that presents perhaps the major stumbling block to this opportunity. There's no doubt this would be a big roll of the dice.

But when one considers firms such as Brascan in Canada, and the Dutch conglomerate HEMA (which already has a foothold in Mack's Stores in the Southeast), or retailers like Mann in West Germany, one sees that the deal isn't impossible—just difficult and chancy.

(Of all the chains in the United States, Wal-Mart is perhaps the only one with a natural fit to most of the available sites, and the financial clout to pull it off.)

Whoever takes it on—or even if no one ever does—the amazing fact is that there is an instant, billion-dollar chain available for the buying—one that would dominate the Southeast immediately.

One retailer, daydreaming about the possibility of putting the deal together (but without Heck's), said, "Give me $40 million and 60 days, and I'd put together a three-quarter billion dollar company. About $50,000 on each store to give it a chain appearance, some new inventory, and I'd be in business."

Big K

(Continued from page 1)

low rents, some under $2 a foot.

Another retailer said: "I can't get the ones I like, and the ones I can get, I don't like."

Most of the stores offered are 40,000 and 50,000 sq. ft., with a few as small as 30,000 or as large as 60,000 and 70,000 sq. ft. In the most recent deal by Big K, in which six stores were sold to Wal-Mart, the goods and fixtures were retained by Big K for use in other stores, not sold to the purchasing chain or sold off in a GOB sale.

When questioned further about planned sell-off of his stores, Big K chairman Kuhn would only say jokingly: "I'll sell anything I own for the right price, except my wife and family," but would not specify any talks in progress or planned soon.

DuPont

(Continued from page 3)

ers, consumers have become more concerned with the quality/price relationship over recent years. Ninety-three per cent said they will check more closely for this factor than they used to in the past, and 81% said they will be shopping the ads more often.

On a positive note, 75% of the discount store shoppers (86% of the total respondents) said they were shopping these stores more often or at the same rate as they were two years ago. This compares to only 54% in 1973.

Thirty-four per cent of the interviewees who shopped discount stores cited price as the main reason they chose the store. Seventeen per cent named sales, and 15% answered that location/convenience was the primary reason.

On the other hand, 35% of the respondents who do *not* shop at discount stores said that inconvenience/location was the main reason. Twenty per cent cited poor quality, and 12% said they had no need to shop at a discount store.

Newspapers continue to be the leading source for drawing customers to the stores, although reading frequency has dropped considerably over the past six years. Of the total respondents, 54% said they read a newspaper regularly, as compared to 68% in 1973. Those who responded "seldom/never" to this same question, rose from 0% in 1973 to 10%.

Thirty-three per cent of those interviewed said they liked department store advertising the best, while 25% named discount stores. Another quarter of the respondents liked discount store advertising the *least.*

But, 85% said they recalled one or more ads that prompted them to go to the store to purchase the item advertised, and of those 55% named a discount store's advertising, while 42% noted a department store. In the 1973 study, 68% cited a discount store. Eighty-six per cent of those who went to a store to buy an advertised item completed their purchase plans—in 1973, 79% did.

Discount stores showed a jump in rating points for all marketing factors except store location, ranking highly favorably in pricing, quality, employee helpfulness, variety of merchandise, selection of merchandise and advertising. Department stores and the Sears, J. C. Penney and Montgomery Ward group fell in qualitative ratings on all factors except advertising.

The NMRI/Du Pont study is available from the NMRI, 570 Seventh Ave., New York, N.Y. 10018. For NMRI members, the first copy is free, and additional copies cost $30 each. For nonmembers, each copy is $45.

Bell

(Continued from page 3)

urbs that already are home to major shopping centers.

The move into Chicago, however, pits Bell against hometown McDade with seven showrooms including one in Westmont, Ill., two miles from Oak Brook, and Service Merchandise, which currently has 10 units, including showrooms in Downers Grove and Hoffman Estates that will compete with Bell's units.

Bell has obtained mailing lists of higher-income customers that it will use for distribution of its catalog when the two showrooms open in the fall. The same book that is distributed in Washington, Baltimore and Houston, Bell's other markets, will be used in Chicago, the executive said.

The units will be supplied from Bell's Washington warehouse and also by direct shipments from manufacturers.

The executive said the locations next to Venture will help both retailers due to the combined drawing power of the two stores as the main units in the strip centers.

The Schaumburg location is near the Woodfield Mall, considered the world's largest shopping center with four anchor department stores and about 230 other stores.

The Oak Brook location is near two shopping centers, the Oak Brook Mall and the Yorktown Mall.

Bell and Venture will have separate entrances for their stores.

One top Venture executive, vice chairman Julian Seeherman, is familiar with catalog merchandising. He had headed up Consumers Distributing (U.S.) during part of the period when that cataloger was jointly owned by CD (Canada) and May Department Stores, Venture's parent company.

Bell, however, is vastly different from CD, maintaining larger showrooms, a strong in-stock position and featuring a broad assortment of jewelry and high-end merchandise geared to higher-income markets.

Toys 'R' Us Biz Up 38.5% in Qtr.

ROCHELLE PARK, N.J.—Toys "R" Us reported sales for the first quarter ended May 3, 1981, of approximately $97.3 million, a 38.5% increase over the $70.2 million in the comparable quarter of 1980.

Charles Lazarus, president and ceo, reported the gain reflected a 23.7% increase in comparable toy store sales, in addition to the contribution made by new stores.

Caldor's April Biz Skyrockets 26.7%

NORWALK, Conn.—Caldor posted sales of $52,500,000 for the four-week period ended May 2, 1981. 26.7% over $41,-184,000 last year.

Sales of $136,727,000 for the first quarter of 1981 were up 16.9% from $116,881,000 for the similar period last year.

Sales increases were attributed to strong store-for-store results, plus the fact that Caldor operated 58 units last year and 65 this year—with one opening in March, another in April.